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European Union Support to Kyrgyz Education Sector

By

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Abstract

This paper tries to investigate the Sector Wide Approach (SWAp) in the education sector on the example of SWAp in Kyrgyz education sector. Sector Wide Approaches are more and more used by the donor community, because the project approach is limited. Individual projects are target only specific goals. SWAp on the contrary tries to cover the whole sector and address the problems on a bigger scale.

The purpose of this work is to examine the challenges and risks to which SWAp in the education might be exposed. For these purposes the opinions of the people involved in SWAp (technical assistance project staff, the project manager, and representative of the Ministry of Education) and independent observers were gathered.

The analysis of collected information shows that the main risks associated with SWAp are the weak human capacity of the beneficiary (in this case – it is the Ministry of Education) and risks associated with the budget support (the main financing modality of the SWAp by the European Union), namely the corruption present in the country.

Abstract - German

Diese Arbeit versucht Sektor Wide Approach (SWAp) in Bildungssektor am Beispiel von SWAp in kirgisischem Bildungssektor zu untersuchen. Donors immer mehr benutzen diesen Zugriff, weil die einzelnen Projekte beschränkt sind. Die einzelnen Projekte erzielen nur konkrete Ziele. SWAp im Gegenteil versucht den ganzen Sektor zu einschließen und Problemen den ganzen Sektor zu lösen.

Der Ziel dieser Arbeit ist die Herausforderungen von SWAp im Ausbildungsektor zu finden und zu untersuchen zu untersuchen. Dazu wurden die Meinungen von den Leuten, die im SWAp arbeiten (technische Hilfe Projekt Personal, den Projektleiter, und Vertreter des Bildungsministeriums), und den unabhängigen Beobachtern, gesammelt.

Die Analyse der gesammelten Information zeigt, dass die Hauptherausforderungen sind schwache menschliche Kapazität (Leute von Bildungsministerium), und Risiko mit finanzielle Unterstützung (die Hauptfinanzierungsmodalität des SWAp durch die Europäische Union), nämlich die Korruption im Land.

Introduction

This paper talks about the support of the European Union to the education sector of Kyrgyzstan. “Education sector is a focal area for the EU under the 2011-2013 Kyrgyz Indicative Program. And here, in Kyrgyzstan, where young people represent some two-thirds of the population, it is one of the major priorities of our cooperation. Education has served the country well in the past. However, if we have to continue to deliver appropriate education and training, we must constantly adapt to the changing education and training needs of the Kyrgyz people and redirect it to new needs as they emerge. The European Union is strongly supporting the efforts of its Kyrgyz counterparts with the work of the European Training Foundation, Tempus and the EU Project “Support to the Kyrgyz Education Sector”. It was the speech Ambassador Chantal Hebberecht to the Kyrgyz Republic. In her speech she points out that the education is a focus area of the European Union in Kyrgyzstan. Education is the sector which can influence the development of the country if managed correctly. It is people, talented people that can contribute to the development of the country. Thus, it makes it really important to cooperate especially in the education sector.

The approach that the European Union is planning to apply in Kyrgyzstan is Sector Wide Approach (SWAp). The donor community is using this approach since 1990s as an approach that should achieve the goals and issues that individual projects were not able to address.

It is not the first time that SWAp is applied in the country. Previously, the SWAp approach was used in the Health sector by the World Bank and SWAp approach was the method to the Social Protection sector by the European Union. Thus, it is not the first time that European Union is implementing the SWAp in Kyrgyzstan.

The main question of my research paper is to find out what are the obstacles to the implementation of the SWAp in Kyrgyzstan. The main focus would be the challenges and risks associated with this certain approach specifically in Kyrgyzstan.

Interviews are my method of data collection. I have taken the interviews from the people working on the technical assistance project – the preparation stage to the SWAp approach and also interviewed people from GIZ as independent observers. The interviews were transcribed and analyzed. The total number of the interview is 6.

First of all I would provide the background information on the development aid of the European in Central Asia, including Kyrgyzstan. Further I will talk about the methodology, and finally in the last chapter there is an analysis of the gathered information.

Chapter 1

Development Aid of the European Union

Chapter Development cooperation

“Combating global poverty is not only a moral obligation; it will also help to build a more stable, peaceful, prosperous and equitable world, reflecting the interdependency of its richer and poorer countries” (European consensus on development, p. 46/1). Development policy is the core of the EU’s

relations with the developing countries. European Union is the most important partner for developing countries in terms of trade with specific trading benefits for developing countries and especially for less developed countries. It provides the half of the world aid altogether.

This policy area is designed to complement the activities of the member states of the European Union. The development cooperation of the European Union can be counted like the 28th donor, while has its own policies, procedures ("Understanding EU Development Cooperation Development Cooperation of the European Community Institutions – Structures – Procedures Austrian EU", p.8)

The main objective of the development cooperation is the eradication of the poverty in context of the sustainable development and together with the pursuit of the Millennium Development Goals (European consensus on development, p. 46/2).

Millennium Development Goals (MDGs) were adopted in 2000 that earmark the benchmarks for combating extreme poverty. It is a framework for the international community

There are 8 MDGs that should be achieved by 2015:

Goal 1: Eradicate extreme poverty and hunger

Goal 2: Achieve universal primary education

Goal 3: Promote gender equality and empower women

Goal 4: Reduce child mortality

Goal 5: Improve maternal health

Goal 6: Combat HIV/AIDS, malaria and other diseases

Goal 7: Ensure environmental sustainability

Goal 8: Develop a Global Partnership for Development (Millennium Development Goals)

The main dimensions of the poverty are economic, political, socio-cultural and protective capabilities. Poverty is also related to the human capabilities like consumption, education, food security, rights ability to be heard, human security, dignity, and decent work. Combating poverty first of all implies investing in people, protection of natural resources, security, wealth creation, job creation. Gender issues should be main part of all policy strategies (European consensus on development, p. 46/3)

Development policy is a shared competence between European Community and the MS. The key documents that lay the basis for the activities in the development are Treaty on the European Union, "European Consensus", "Cotonu agreement" ("Understanding EU Development Cooperation Development Cooperation of the European Community Institutions – Structures – Procedures Austrian EU", p.8)

Treaty on the European Union defines the main objectives and principles of the cooperation. It lays the legal basis for the development cooperation. There are three principal objectives of EU development cooperation. The article 177 says about the poverty eradication and article 178 provides the principle of policy coherence in development ("Understanding EU Development Cooperation Development Cooperation of the European Community Institutions – Structures – Procedures Austrian EU,p.8).

European Consensus is a policy statement signed in 2005, where European Commission, Council and European Parliament define the objectives, values and principles of the Development Cooperation of the European Union. Poverty eradication is the overall objectives. This document has political power; however it bears no judicial power. It also defines the areas of the comparative advantage of EU:

- Trade and Regional Integration
- Environment and the Sustainable Management of Natural Resources
- Infrastructure, Communications and Transport
- Water and Energy
- Rural Development, Territorial Planning, Agriculture and Food Security
- Governance, Democracy, Human Rights, and Support for Economic and Institutional Reforms
- Conflict Prevention and Fragile States
- Human Development (Understanding DevCooper, p.9)

These areas of comparative advantage are the spheres where EU should concentrate its development cooperation in order to achieve the targeted objectives.

Cotonu agreement was ratified in 2002 and lasts for 20 years. It is an agreement between 79 ACP (African, Caribbean, Pacific) countries (Understanding DevCooper, p.9). This document sets the framework for the cooperation between the European Union and ACP countries in terms of **the** economic, social and cultural development of the African, Caribbean and Pacific States (ACP). Its goal is reducing poverty and contributing the peace and security and the democratic and political stability of the ACP states.

European Union implies different modalities like project aid, sector program support, sector and general budget support, humanitarian aid and assistance in crisis prevention, support to and via the civil society, approximation of norms, standards and legislation. The decision on which modality to use

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depends on the current situation within the developing country, taking into the consideration all peculiarities. (European consensus on development: p. 46/4).

In 2010 EU together with MS spent 53,8 bn euro on Official Development Aid (ODA). It is the largest donor in the world. 9.7 bn was taken directly from the EU institutions. The majority of the money for the ODA is taken from the central budget of the EU, to which the MS have to make contributions. There is also a European Development Fund, to which the contributions from the MS are voluntarily. (Booth, S. & Sian, H., p. 6)

European development Fund focuses on poorest countries: 85% of the money is spent on the poorest countries. EDF's budget comes from the voluntary contributions from the MS. MS cannot avoid the contributions to the central budget of the EU, even if they think that the given money is spent incorrectly. EU aid is mostly spent on the ENPI (EU's neighbourhood policy) and IPA (preaccession agreements). This indicates the political stability, security, and enlargement and immigrations as an aim of the EU aid. The money spent for these purposes are considered to be the part of the Development aid policy (Booth, S. & Sian, H., pp.10-11)

Development aid in Central Asia

Beginnings:

The interest in CA started since 2005. EU institutions started preparing the strategy for the region. Strategy started being implemented since 2007(Emerson, M., et al, p.64).

The first regional-multilateral meetings took place in 2008 at foreign ministerial level with the participation of the 5 CA countries and EU. EU has a special representative, Ambassador Pierre Morel, whose presence in the region is not a rare occasion. This indicates that the political dialogue between the CA and EU has started but only in the framework of the general discussions. There is no record of certain achievements (Emerson, M., et al p.65).

For the period of 2007-2013 with the launch of the CA strategy, the program budget is to be 719 million, which is twice as much as previously (Emerson, M., et al p.91).

Rationale:

There were three reasons behind the logic:

- Logistics for supplies for the war in Afghanistan

- Andijan uprising in Uzbekistan 2005
- Diversifications issue of energy supplies due to the Russian-Ukrainian crisis in 2006 (Emerson, M., et al, p.64)

European Union needs stability in Central Asia. EU needs energy supply security, it's a part of its diversification policy (linkage with Afghanistan-supply logistics political spillover risks, drug trafficking). They want to reach this objective through the development of the rule based normative world order, where the human rights are ensured (Emerson, M., et al, p.120)

Energy is an important sphere for the EU diversification program. In CA Kazakhstan is the main supplier of the energy. There are no big problems in the relationship between the Kz and EU. However, there is a need for EU to secure the large supplies of gas from Turkmenistan (Emerson, M., et al, p.49)

There is also a need for security in the region due to the position – Russia, China, Pakistan, Iran, Caspian Sea. There are such issues as drug trafficking, human trafficking, organized crime and terrorism. There are also regional problems: scarcity of water. Stability and security are the main aspects of the EU strategy in the region (Emerson, M., et al, p.133).

Goals: The main goals in Central Asia are stability, security, peace, democracy and economic prosperity (Emerson, M., et al, p.87)

Programs

Security and stability is the main objective of the whole CA strategy. However, the most of the –programs initiated by EU are not directly linked to security. The main security-oriented projects are Border management in Central Asian (BOMCA) and Central Asia Drug Action Program CADAP, which have been executed by UNDP (Emerson, M., et al, p.90). These are multi year projects that have started already before the strategy in CA. BOMCA not only upgrades the border services and combats the cross border crime (drug and human trafficking) but also aims to facilitate trade and transit (Emerson, M., et al, p.87)

The achievements of BOMCA so far: supply of new equipment to border posts, building some infrastructure buildings at border points and influence on revising the obsolete laws. There were also training courses. However, the budget and capacity for trainings are limited. CADAP has the same team as for BOMCA. Drug detection equipments, legal assistance and training are the results (Emerson, M., et al, p.88).

The first results of the activities of EU in CA were Human Rights Dialogue process. There are annual meetings at official level and civil society seminars. Human rights lawyers, NGOs in CA and

EU prepare for the seminars. This activity fully works in Kazakhstan, Kyrgyzstan, Tajikistan. For example, civil society seminars were held in March and July in Kyrgyzstan and Tajikistan. The topic of the seminars were prisoners' and children's rights and the right to fair trial and independence of the judiciary respectively. The results of the activities in the sphere of the human rights seem to be satisfactory in three out of five states. There are some problems in Uzbekistan and Turkmenistan, because these countries are most repressed states in the world. (Emerson, M., et al, p.66)

Human rights and democracy are both parts of the same normative continuum. However, the democracy is not on the agenda. Human Rights dialogue is new element of the new strategy. It involves both civil society and official meetings. There are structured and well-prepared. In the short-run it is difficult to see the results (Emerson, M., et al, p.71)

Rule of law is the main focus in CA. there are two levels: high-level political dialogue and specific technical assistance programs. In Kz, Kg, Uz the reforms in judicial courts are the main focus, whereas in Tajikistan it is penal reforms, in Turkmenistan training (Emerson, M., et al, p.72).

Education is the area of the main priorities in the region. There are certain problematic issues with this sector:

- Poor funding
- Low standards of literacy in schools
- Corruption (access and degrees)
- Closure of schools in winter due to the lack of electricity supplies (Emerson, M., et al, p.74)

Delivery

The activity of EU has two aspects:

- A policy dialogue – EU Central Asia Education Platform, for example
- Operational programs (Tempus, Erasmus Mundus, Bologna Process, vocational education supported by the European Training Foundation CAREN and other bilateral initiatives of the MS)

Operational Programs are working on the preexisting projects. The Bologna process (offers strategic structure for the reform in higher education) and Tempus (offers expertise for practical curriculum at the university level) are the supplementary projects (Emerson, M., et al, p.74)

Legal issues

The policy for the EU assistance is drafted by RELEX, Directorate General that deals with external relations. AIDCO – Europe Aid Cooperation Office and EU delegation in the region are responsible for the implementation. The assistance was provided in the form of the technical Assistance Program (TACIS). In 2007 it was replaced by the DCI – Development cooperation Instrument in order to make it closer to the MDG. Most of the TACIS programs have been concluded however, some are being conducted in parallel with DCI assistance (Emerson, M., et al, p.91)

DCI has two directions thematic and regional programs. In CA thematic programmes include Food Security Program in Kyrgyzstan and Tajikistan and Non-state Actor/ Local Authorities Programme (Emerson, M., et al, p.92)

Regional programmes business program Central Asia Invest or the energy and transport programmes INOGATE and TRACERA, or education programs TEMPUS and ERASMUS MUNDUS OR CADAP and BOMCA (Emerson, M., et al, p.93)

European Union and Kyrgyzstan

The cooperation between the EU and Kyrgyzstan began since 1991 in the form of the dialogue in the sphere of trade and investment. Regional security, energy, and water and human rights issues were added in 2002. Partnership and Cooperation Agreement (PCA) the lays the basis for the cooperation with Kyrgyzstan (signed in 1995, came into force in 1999). Kyrgyzstan is the part of the Central Asia Strategy (http://eeas.europa.eu/kyrgyz_republic/index_en.htm)

1996-2006, €91.85 million was allocated to the food security in the country. It was a budget support in the sphere of agriculture and food security.

2002 -2006, €41.05 million were provided through the TACIS programme, which concentrated on customs reform, education, social programmes in the Ferghana valley, support to civil service reform, and an institutional capacity development programme (http://ec.europa.eu/europeaid/where/asia/country-cooperation/kyrgyzstan/kyrgyzstan_en.htm)

Sector Wide Approach (SWAp) – What is it?

The first donor meeting concerning the Sector Wide Approach (SWAp) on the health sector took place in Copenhagen in 1997 co-hosted by the Danish Ministry of Foreign Affairs and the World Bank (Vaillancourt, D., p.3). The reason for the idea of SWAP was the failure of the individual projects (Sundewall, J. & Sahlin-Andersson K., p.2). 60% of the World Bank project aid did not reach the

targeted objectives. Moreover the number of the projects was increasing which led to the inefficient use of resources (Sundewall, J. & Sahlin-Andersson K., p.10).

SWAp is something bigger than the project approaches. It covers a whole sector. The purpose of this approach is to get the full picture of the current situation of a specific sector and to jointly develop the strategy in order to achieve the development goals (Sundewall, J. & Sahlin-Andersson K., p. 3).

SWAp can be defined as following: “SWAP are that all significant funding for the sector supports a single sector policy and expenditure programme, under Government leadership, adopting common approaches across the sector, and progressing towards relying on. Government procedures to disburse and account for all funds”. It is not a plan, it is an approach. It shows the direction of the change not the current attainment (Brown A., Foster M., Norton A, and Naschold F., p.7).

In other words, SWAp is a way of working together between government, development partners and other key sector stakeholders. It is a process aiming at broadening government and national ownership over public sector policy and resource allocation decisions within the sector, increasing the coherence between policy, spending and results, and reducing transaction costs (Guidelines nr. 2, p.13)

Characteristics

Components of SWAP:

- The sector policy and overall strategy
- The sector medium-term expenditure framework
- Public financial management systems, including reporting, budget management and procurement
- Government-led donor coordination and policy dialogue
- Performance monitoring and stakeholder consultation
- The institutional framework and management and implementation capacity (UNESCO, p.10)

Main elements of sector approach defined by the guidelines of the European Union are

1. Sector policy, the role of non-government agents
2. Sector budget and its medium term perspective
3. Sector coordination framework i) coordination of national stakeholders including governmental (central agencies and other concerned ministries and agencies) and non-governmental actors; ii) coordination with and among donors (Guidelines nr. 2, p.17)

“A sectoral policy is a statement of government’s objectives within a sector and a summary of how

they will be achieved. It explains the proposed role of government and non-government agents within the sector. It distinguishes activities to regulate provision of services by the market from direct financing or delivery of services by government. Often it will include a set of objectives relating to the intended level of access to government services, the minimum acceptable quality for those services and the charges which might be levied for them, if any.” (HLSP Institute,p.15)

“An MTEF is a system for planning actions and programming spending over a 3 to 5 year period. It reconciles systematically the achievement of strategic objectives with respect for aggregate resource limits. In some countries, the whole budget process is managed through an “MTEF” system; in others, it is limited to specific sectors and acts only as a broad guide to spending decisions.

A *sectoral* medium-term expenditure framework must have four minimum characteristics:

- It must be comprehensive in the sense of including all sources of financing to the sector and all proposed spending.
- It must be realistic so that projections of financing are not over-estimated and projections of costs are not under-estimated.
- It must be clear about how resources will be utilised and what are the desired results to be monitored, meaning that it must derive from a clear action plan.
 - It must be endorsed at senior political level. (EC 2003)” (HLSP Institute, p.16)

Common principles which are set in the international donor community:

1. Sector approach should led by partner country
2. Common goal for improving public sector performance
3. Sector approach is a process

Guiding principles according to the European Union are:

1. Support government ownership and leadership – flexible support, information and guidance; it is the government that should be responsible for aid coordination, mutual accountability should the basis for the partnership
2. Work with the government to strengthen institutional capacity and accountability
National capacity is the basis for the collaboration
3. Set the sector program in context. Sector program should be consistent with the poverty reduction strategy

4. Take a long-term, strategic view- it takes time to achieve goals, especially the long-term goals (Guidelines nr. 2, p.15)

Objectives:

- Promote national ownership
- Strengthen results orientation
- Coordinate inputs with other resources

Because government –owned policy are supported, coherence between budgeting and actual results is improved; transaction costs are reduced as well (Guidelines nr. 2, p.13)

Increased Ownership is an essential part of SWAP. In the case of the projects the government was not controlling the activities of the donors. In SWAP the leader position is supposed to belong to the government.

Increased coordination is another feature that should differentiate individual projects and SWAP. In the SWAP the coordination between all stakeholders plays a very important role (Sundewall, J. & Sahlin-Andersson K., p.3).

The idea is that with the adoption of the SWAp the trust and confidence should increase and donors would apply the united budget. The cooperation between the donors and the government should be based on mutual accountability (Experience of sector wide approaches in health – a simple guide for the confused, p.1)

Steps in SWAp

1. Situation analysis
2. Policies and strategies – resource projections and policy dialogue
3. Prioritised sector-wide education development plan
4. Medium-term expenditure framework
5. Domestic and external finance
6. Capacity development
7. Management bodies and procedures
8. Memoranda of understanding
9. Joint appraisal and review process (UNESCO, p.18)

Different stages of SWAp might include different forms of assistance: technical assistance, an earmarked project, commodity support, pooling of funds and untied budget support (EXPERIENCE OF SECTOR WIDE APPROACHES IN HEALTH - A SIMPLE GUIDE FOR THE CONFUSED, p.1)

Effects of a SWAp	(Leads to) Expected Results	(Leads to) Expected Impact
<ul style="list-style-type: none"> • reduced aid fragmentation and duplication; • increased Government ownership and leadership; • improved coordination; • strengthened institutional capacity; • improved transparency in budget processes – clearer and more predictable funding. 	<ul style="list-style-type: none"> • better sector policies – including reduced inequality in access and geographical disparities; • greater likelihood of implementation; • increased effectiveness and efficiency of public expenditure – (use of performance monitoring and evidence based approaches, reduced transaction costs, better coordination); • Programmes are accountable to Government sector Ministry not donors; • Improved conditions within the line ministry for wider government (civil service, public financial management) reforms to succeed. 	<ul style="list-style-type: none"> • sector objectives achieved and contribute to the MDGs.

(HLSP Institute, p.9)

Financial modalities

In SWAP different financial modalities can be used (UNESCO, p.12). The European Union guidelines indicate that the key financing instrument for development cooperation should be sectoral support (Guidelines nr. 2, p.16). The financing modality should budget support if “the partner country’s management of public spending is sufficiently transparent, reliable and effective, and where it has put in place well defined sectoral or macroeconomic policies positively assessed by its principal donors; including, where relevant, the international financial institutions.” The disbursements of the money will be conditional based on the “satisfactory progress towards achieving the objectives in terms of impact and results” ”.(Guidelines nr. 2, p.51).

Budget support means that the money goes directly to the national Treasury account in the central bank of the partner country and the money becomes the part of the government budget. The

budget is provided in the framework of several years. The country itself decides the priorities and programs for which the given money would be used. However, that should be done in the framework of the dialogue between the country and the EU. Budget support is aimed at increasing the funds for national strategies such as poverty reduction, economic and social reform. (European Commission, p.5).

Countries that benefit from the budget support:

- 77 countries in ACP
- 47 countries in Latin America, Asia, Central Asia, South Africa through the DCI instrument
- Countries of European Neighbourhood Partnership instrument (Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Moldavia, Morocco, the Palestinian Authority, Russia, Syria, Tunisia and Ukraine) (European Commission, p.7)

There are three mandatory conditions for the partner country to be able to receive the budget support:

1. National development strategy should target growth and improvement in general living conditions.
2. Stability –oriented macroeconomic policy (improvement of indicators – inflation rate, debt, exchange rate)
3. an assessment of the public finance management system, and a credible and relevant programme of reform and improvement (European Commission, p. 9)

In order to be able to get budget support the partner country should meet the criteria set by the EU. After the criteria are met, Commission begins the series of dialogues that address the government's priorities and strategies.

The monitoring is done during the program in order to ensure that the goals are being the same and the results are being made. Regular examination of the progress and overall improvement at macroeconomic level is important. A careful attention from donor is required.

The Commission makes final decision on implementation and disbursements. The implementation is monitored by the Court of Auditors of European Union, European Parliament, Member States. In cases when the eligibility criteria are not fulfilled, or the aid is diverted, the budget support is stopped. (European Commission, p. 10)

Advantages of SWAp

- Better diagnosis of the problems
- Better understanding of corruption
- Sector programs are better integrated to the budget planning process
- Possibility to solve the problems on the macroeconomic and sector levels
- Capacity building of the government is developed, not within the project
- Clearer link between policy, resources, and implementation (Experience of sector wide approaches in health – a simple guide for the confused p.4)

Disadvantages- Obstacles to implementing SWAp might be:

Weak government – the sector ministry is weak, which leads to the situation when the donors take the leading role, risk to the parallel process, apart from the government.

The Ministry of Finance is not involved – process is not involved into the budget cycle.

There is no consensus on key issues – it can hinder the process.

The unfavorable macroeconomic situation – dependence on the events that are happening outside the sector, political and economic changes (HLSP Institute, p.12)

Strengthening of the structure of the public budgets is time consuming. Moreover, there is a desire from the donors for immediate results (Mirzoev, T., p.38)

(Mirzoev, T., p.37)

Examples

Lessons learned from Tanzania and Mozambique

1. ownership plays the most important role;
2. adoption of the program can be hindered by slow institutional reform process and lack of leadership;
3. “tensions between sector vertical programme and decentralization especially with regard to planning and financial management complicates implementation”;
4. usually there is a little private involvement;

5. “the needed changes in the Ministry leading a sector wide programme require strong involvement with cross-sectoral activities, such as public service reform, decentralization, economic planning and public finance management” (“Agriculture Sector Wide Approach (ASWAp) Malawi’s prioritised and harmonised Agricultural Development Agenda”, p. 35)

In the qualitative research the data can be collected in the form of the interviews and their transcripts, ethnographic participant observation, e-mail, web pages, books, and magazines (Gibbs, G., p. 101). In my research I use the qualitative interview as a method of data gathering. I think that this method suits my work because there is not much information on SWAp especially in the education sector in Kyrgyzstan. That's why I have decided to apply interview because I wanted to gather the opinions of people who are directly involved in the process and those who are the international observers. The idea was to find out what risks and challenges they see in the implementation of the SWAp in Kyrgyzstan and since the SWAp approach is not implemented yet it was important what people directly working at the preparation stage and observers think about the challenges.

Interview is described as obtaining information during the conversation. (Gibbs, G., p. 105). Three types of interviews are differentiated: standardized, semi standardized, unstandardized interviews. In my work I have applied the semi standardized form of the interview. Semi standardized interview implies that it is more or less structured, questions can change their order in process of taking interview, wording of questions also can be changed, interviewer may make clarifications (Gibbs, G., p. 107). During my interviews I had a set of prepared interview questions. However, with the course of the interviews it happened often that depending on the answers I could ask additional questions. Or it happened that during the interview some questions were changed. Moreover, when the respondent gave the answers like "yes" or "no", I asked questions like "and then", etc in order to get more detailed answer.

In my work I have taken interviews from 6 people: 2 of them from people work in the technical assistance project – the team leader (Interview 1 and e-mail Interview) and the expert for the 5th component of the technical assistance project (Interview 2), from the project Manager from the European Union Delegation in Kyrgyzstan (Interview 3) and 2 people from GIZ (Interview 4, 5) and one from the worker from the Ministry of Education and science (Telephone Interview).

The interviews can be supplemented by the gathering and analyzing documents: minutes of meetings, logs, announcements, formal policy statements, letters, can be the source. (Marshall, C. & Rossman, G., p.107). In my paper I have used apart from the interviews, the minutes of the donor meetings and donor presentations.

The interview questions were slightly different for those who directly involved in the preparation project to the SWAp, which is technical assistance project and for those who were the observers. The aim of this paper was to find out what are the challenges and risks associated with the

SWAp approach. So with the external observers the questions were more straightforward – like “What kind of challenges and difficulties you see in the implementation of SWAp”, “Why do you think so?”, etc. The questions for the people who were directly involved were slightly different. I asked them about their role, about the difficulties they meet during their work personally. I tried to get some factual information as well, like “When did it started?, etc”. The whole list of the questions you can find in the appendix.

I have tape-recorded and transcribed the interviews. After that I tried to analyze the gathered data.

Analytical process consists of 7 phases:

- Organizing the data
- Immersion in the data
- Generating categories and themes
- Coding the data
- Offering interpretations through analytical memos
- Searching for alternative understandings
- Writing the report for presenting the study (Marshall, C. & Rossman, G., p.156)

I transcribed my interviews, conducted personally, by telephone and by e-mail. Then I gathered the similar responses and coded. During my analysis I have distinguished the following groups of risks/challenges:

- Donor coordination
- Financial risk
- Human capacity
- Resistance to the change
- Corruption
- Political stability
- Political decisions
- Risk of not disbursement of the money

Limitations:

First of all the answers of the team leader of the project do not fully correspond to the reality; because he is a person who represents EU in Kyrgyzstan, he is diplomat. He is very skillful and tactic in certain issues. It implies that he very carefully chooses the words while answering my questions.

That is clear from the interview. It happened a lot that he paused during the interview in order to find the right words. If I compare the his interview and with interview with the local expert, during the second interview, the respondent was not searching for the right words that carefully. It happened several times that she said something and then right there tried to change the words. It felt like she said something that she should not or could not say. Several times she was not sure whether she can share some sort of information. For one of my questions there was a long pause. After this long pause she asked why I need this information. Nevertheless, she was trying to be honest, I think. She was pretty open and gave out some information that was really valuable.

However, with the team leader it felt like I was reading a report, where everything was dry and in a diplomatic manner. The information that he shared was similar to the information that he provided later in the form of various documents. He did not add anything special or peculiar during the interview. It was a really nice interview with him but he was not specific, he used to talk in general terms. He was not giving away some delicate information. That's was not contributing to my work. However, it is surely understandable because it is the nature of his work. As a representative of the European Union in Kyrgyzstan he cannot afford some excess of information.

Second, it was not easy to take the interviews from people. It was not a problem to take an interview from the team leader of the project, despite the fact that he is really busy. However, it was a challenge to take an interview from local people. When I called they usually said that I need take an interview from other people. They were not willing to talk. With one of the interviewees when I called him he told to call the other day. When I called him that other day he told that he does not like the idea of the interview but I insisted and then he said me to call after 4 days. Finally, when the interview was arranged with this person, he said that he was not the right person for interview, I couldn't interview him. The interviews with local were not appointed easily, but once they were appointed they could give more valuable information.

One of the other issues was due to which my work was delayed for a month or so is that I could not get information from team leader of the project. I wrote him in the beginning of December requesting to provide some information but there was no answer. I wrote him again. Still there was no answer. Only at the end of January I could get in touch with him. I suppose the reason for his silence were the holidays. The supervisor of my paper, says people in Europe do not usually work when there is a holiday like Christmas and they as a rule get prepared for the holiday and do not want to be bothered by the work.

Moreover, during my work I understood that it happens often with the interviews that when you ask certain questions the respondents think that the answer is obvious, and do not specify the answers.

The most challenging thing was that the project has not yet really started in order to investigate it fully and from all perspectives. At the moment there is only a technical assistance project which is only the preparation stage for the SWAP. It is really difficult to predict the way things are going to turn out. Expert opinion was important here. Budget support will take place only next year- 2013, the financial transfers will start in 2013. But at the moment the ministry needs to get prepared for swap. So all my analysis is based on the expert opinions.

In addition to this, at the beginning of the research it was assumed that I would get access to most of the documents of the technical assistance project. However, I was provided only one document, which was counted as confidential. It was a big disadvantage, because the information that I could easily get from the documents I was collecting by small parts in the internet, from the interviews, which took a lot of time.

Finally, while we transcribe interview, there are several difficulties that the interviewer encounters. First of all, people do not talk in clear paragraphs. It means that it is not always easy to divide the speech into clear-cut paragraphs. Moreover, people do not tell the interviewers where the punctuation marks should come. It is really challenging to put semicolon, for example, where it is necessary. When we the punctuation marks incorrectly we slightly change the meaning. In addition, when we transcribe we do not have access to the visual clues that help to correctly identify the meaning (Marshall,C. & Rossman, G., p.107). That's was also true for my work while I was transcribing.

SWAp in Kyrgyzstan

Education is one of the main factors that influence human development:

- “reduces the twin burdens of poverty and diseases
- gives a stronger voice in society”

Education also contributes to the development of the society: “dynamic workforce and well-informed citizens able to compete and cooperate globally; opening doors to economic and social prosperity”

(Development Partner Cooperation Council (DPCC) Education Donor Group, Slide 2).

However, the situation in the education sector in Kyrgyzstan leaves much to be desired. Kyrgyzstan official figures say that the literacy level in the country is 99, 2%. However, PISA international testing where the literacy and math was tested indicates that the level of literacy should be lower, because Kyrgyzstan is on the last place out of 65 countries. (Matthew, N., p.24-25). European Commission Identification fiche for sector policy support programme also states that education quality is low in Kyrgyzstan characterized by the fragmented nature (European Commission, p. 2).

Ministry of Education and Science (MoES) and UNICEF survey show that in 2007 more than 40,000 children were out of school. This number equals to 120 000 by some NGOs.(Matthew, N., p.25).

The lack of the textbooks is also a big problem. In 2009 the MoES reported that 62% of books were provided. However, this number is believed to lower. Only 10% of the students are provided with the whole set of the books. This problem is linked to the inability of the MoES to gather information on resource equipment and poor capacity for printing and textbooks development (Matthew, N., p.27).

One of the reasons for this situation can be explained by irrational use of the financial resources. In 2009 6.9% of the GDP of the country was spent on the education, which is 21.4% of the national budget- but the money is not spent effectively. The things like number of staff members, class size and maintenance cost determine the budget for schools, which implies that there is not a room for flexibility for the resource allocation (Matthew, N., p.27).

The main problems of the education sector can be summarized as following:

- deteriorating infrastructure - physical facilities and equipment;
- curricula is old and flexible;
- out-dated teaching methods;
- financing is inadequate – salaries, student stipends and food are the main target of the budget. The rest is represented by the operational costs. There is almost no money left for the investment in new facilities, equipment, teacher training and curriculum development;
- lack of management capacity – inability to effectively use the resources and manage the reform of the education sector (Terms of Reference, p.7-8)

Donors

As noted earlier the education budget goes mainly to the salaries and to the maintenance of school buildings. Other expenditures (like equipment, for example) are covered by the donor projects (Telephone interview, April 19, 2012). Moreover, “state funding for preschooling increased by 290 per

cent between 2005 and 2009, partly thanks to donor financing and advocacy”. (Matthew, N., p.25).

Thus the donors play an important role in the education sector in Kyrgyzstan.

The significant donors in Kyrgyz to the education sector are EC, WB, ADB, USAID, GIZ, UNDP, UNICEF (Terms of Reference, p. 9). Here is the list of the projects by the donors (present, past)

- «Education - 2». Implementation period 2006-2011. Partner: ADB. Amount USD 15. 5 million.
- «Access to basic education of invalid children». Implementation period 2007-2011. Partner: ADB. Amount USD 1 million.
- «Early childhood development». Implementation period 2003-2009. Partner: ADB. Amount USD10.5 million.
- «Rural education». Implementation period 2007-2010. Partner: World Bank. Amount USD 15 million.
- «Improvement of quality and access to Education». Implementation period 2007-2010. Partner: UNDP. Amount USD 2 million.
- Project “SapattuuBilim - the development and improvement of school education and changing pedagogic education in Kyrgyzstan, Kazakhstan and Tajikistan.” Implementation period 2007-2012; Partner: USAID. USD 5 million for Kyrgyzstan
- «Vocational education and skills development». Implementation period 2007-2011. Partner: ADB. Amount USD 10 million
- «Support for professional labor market oriented retraining». Implementation period 2009–2013. Partner: GTZ Amount €1.9 million
- «Vocational education for homeless children». Implementation period 2007-2009. Partner: UNDP. Amount USD 0.9 million
- «Toward sustainable cooperation for control of workforce migration through partnership in Russia, Caucasus and Central Asia Project». Implementation period: 2007-2009. Partner: ILO. Amount: USD 100,000
- «Support of Employment for Young People Project» (regional). Implementation period: 2007-2010. Partner: ILO. Amount: USD 3 mln for 3 countries (Kyrgyzstan, Tajikistan, Kazakhstan) (Terms of Reference, pp.9-10)

UNICEF is the main donor in pre-school education and basic education and technical assistance to the Ministry (Steiner-Khamsi, Gita, and Ketevan Chachkhiani,p.10)

The Asian Development Bank (ADB) was the lead donor in the country in 1990s . 1997-2004 The Education Sector Development Programmewhich was the 1st loan to the sector and value of the project was \$19 million. There were other grants and loans for pre-school and basic education reform.

World Bank started being active in 2000s. The financial resources of the World Bank allocated for the education in Kyrgyzstan was also significant. Grant for the Rural Education Project (2005-2010) was\$15 million.

The childhood education, global education and community management of education, technical assistance and capacity building for government officials of MoES in the early childhood development, monitoring and evaluation are the areas where the UNICEF is active. UNICEF financial contributions are not as high as those of the World Bank and ADB- \$247,000 to \$730,000.

UNESCO is active in the regions. Early childhood development, professional development, professional development of teachers and promotion of the EFA goals are the interests of UNESCO. Corresponding conferences and workshops are held. \$101,350 were spent in 2004-2007 UNESCO for the above mentioned activities.

European Commission joined the donor community in Kyrgyzstan in 2007 with the project worth \$6.5 million (2008-2010). This project was aimed to support the renovation of rural schools and the establishment of social infrastructure in the Ferghana Valley. Technical assistance is the part of the EC activities, where capacity-building of government officials of MoES is supported to develop the new Education Development Strategy 2010-2015 with the budget of \$242,000 (2008-2009).

USAID supported to projects: PEAKS from 2003 to 2007 (\$4.26 million) and the Quality Learning Programme from 2007 to 2012 (\$4.8 million).

Among NGOs the Soros Foundation Kyrgyzstan is active in the country since 1993. It was one of the first and one of the most important donors in 1990s. Since the Soros Foundation turned from donor to the implementer of externally funded projects.

Other NGO is Aga Khan Foundation which is the largest. The Early Childhood Development Initiative worth \$2 million, 2005-2012. It works with the coverage and quality of kindergartens in the south region.

International Save the Children Alliance is another though with the lower funding. It plays an important role in the in-service teacher training in Osh, Naryn, Bishkek (Steiner-Khamsi, Gita, and Ketevan Chachkhiani,p.11).

The majority of the donor projects are bear regional character: World Bank's Rural School Project is active Talas and Issyk-kul. In Naryn, Jalal-Abad and Osh oblasts it is \$13.47 million of ADB's first Community-based Early Childhood Development project. ADB chose those three regions because they have the poorest districts . The World Bank preferred to work in Talas and Issyk-kul because there was not much attention to these regions. (Steiner-Khamsi, Gita, and Ketevan Chachkhiani, p.11) Kyrgyzstan was among the countries that signed the Paris Declaration on Aid Effectiveness in 2005 (the Paris Declaration enforces five principles — ownership, alignment (donors support for government and sector strategies), harmonization (donor coordination), managing for results and mutual accountability). (Steiner-Khamsi, Gita, and Ketevan Chachkhiani, p.16)

SWAP

Thus the abovementioned information shows that there were and are a lot of different projects in the area of the education. However, the donor activities in the sector should be coordinated. "During the 20 years there were a lot of projects in the country. The good for the ministries were little. It happens a lot that the money are despoiled, the equipments get old. The development of the human development is the remnant product that can be used further. The emphasis on the human development can help to use the money effectively and develop independently." (Interview 2, February 26, 2012). It implies that there is a need for an approach called SWAp which can contribute to the development of human capacity.

In 2008 the EU informed that there was such kind of possibilities like SWAP. Different seminars were held. The seminars were about SWAP, budget support. EU sent the experts in order to estimate the situation and prepare the technical tasks for the whole project already in 2008. Only in 2010 it started. (Interview 2, February 26, 2012).

The development of the education was directly linked to the financing. Budget could help the situation in the education sector. "Development of education was directly related to amount of budget that was available"(Interview 1, February 18, 2012). Relying on the economic situation the team leader of the Technical assistance program understood that budget for the education would not change until 2015. The possibility of SWAP was considered. In July 2011 EU ambassador announced that there was a possibility of 20 million euro to the education sector under SWAP mechanism.

The problems that were identified during the donor meetings in the area of the education in Kyrgyzstan are:

- Education system not responsive to current societal and economic needs, in particular TVET system
- Lack of reliable data for informed evidence-based policy
- Inadequate financing of the education system, in particular education infrastructure
- Institutional and management capacity weaknesses in the education system
- Teacher competencies, support and conditions of employment
- Inadequate curriculum, learning and teaching materials
- System reforms are not enough decentralized
- Management boards versus board of trustees
- Lack of openness and transparency at all levels of the system
- Financial contributions by parents not transparent and accountable
- Weak fiduciary capacity at all levels in the education system
- 20% tax on special funds earned by educational institutions a major disincentive
- Poor students learning outcomes (PISA)
- Poor student assessment system (DPCC Meeting Kyrgyz Republic, Slides 5-7)

The donors plan to address these problems is the application of the Sector Wide Approach (SWAp). The overall SWAp strategy is to support the Government with the implementation of the Education Development Strategy 2020 and the Medium Term Programme 2012-2014, which were approved by Government on 23rd March 12. (E-mail interview. 22 Apr. 2012.)

The main donors are World Bank, DFID, ADB, USAID, GIZ, UNICEF and other development partners. Ministry of Finance, Ministry of Education, Ministry of Labour, Employment and Migration.

Parliamentary Education Committee, authorities at oblast (regional), rayon (district) and AiylOkmotu (community) levels are the main stakeholders of these approach. All citizens participating in the education system are beneficiaries (European Commission, p.2)

Education Development Strategy 2020

The country has developed an education strategy- Education Development Strategy 2012-2020, which is one of the main principles of SWAp. The current deficit in budget does not allow implementing reforms. Thus financial sources of donors are really important for the successful implementation of the strategy (European Commission, p2).

Education development strategy 2020 was developed by the government with the assistance of the ongoing Technical Cooperation of the European Union. Strategy education 2020 was set based on the Paris Declaration. The technical assistance group did not write the strategy for the ministry. They supported the strategy. That's one of the ideas of the SWAp.(Interview 1, February 18, 2012).

The strategy is accompanied by a Medium Term Education Development Programme 2012-14, which is linked to the Medium-Term Country Development Programme and the MTBF for the same period. Education development strategy (EDS) is supposed to be the main tool in achieving the social and political development in the country, international and regional competitiveness. Education should be relevant and qualitative.

The draft of sector strategy has the following 8 programmes:

- Education management, finance, monitoring, reporting, evaluation, education support services
- Early childhood development, pre-school education
- School education (primary and secondary education)
- Primary vocational education and training and continuing VET
- Secondary technical and vocational education and training
- Higher education
- Adult education – lifelong learning
- Cross-cutting themes in education (European Commission, p.2)

The main long-term priorities in the education sector are:

1. Improved curriculum and professional standards and assessment

2. Improved teachers
3. Improved teaching and learning materials: textbooks, reading book, ICT
4. Improved Education Infrastructure (**Development Partner Cooperation Council (DPCC) Education Donor Group, Slide 2)**

Curriculum and Professional Standards	Teachers	Teaching and Learning Materials	Infrastructure
<ul style="list-style-type: none"> • Pre -school and early childhood • Primary grade 1-4 • Basic grade 5-9 • Secondary grade 10-11 • Primary vocational education • Secondary professional education • Higher education • Adult education and lifelong learning 	<ul style="list-style-type: none"> • Pre-service education and training • In-service education and training • Career development • Teacher conditions of employment 	<ul style="list-style-type: none"> • Teacher guides and teaching aids • Student learning materials (Text Books and digital media) 	<ul style="list-style-type: none"> • Physical infrastructure • ICT Infrastructure • The school of the future

(Development Partner Cooperation Council (DPCC) Education Donor Group, Slide 3)

However, it is important to note that it is not a SWAp in a pure sense. Below there is a list of elements of SWAp and which of them are present in our country:

- **All significant public funding for the sector supports a single sector policy and expenditure programme - The first attempt is for Medium Term Budget Framework 2013-15**
- **Under Government leadership- A Senior official at MoES will be appointed to ensure that both public and donor funding supports a single sector policy**
- **With common approaches adopted across the sector by all funding parties; and**
- **A progression towards relying on Government procedures to disburse and account for all public expenditure, however funded. This can only happen with pure SWAp (E-mail Interview, April, 25, 2012).**

As it is shown, the last two elements are not present in the current SWAp in education sector. In a pure SWAp all budget should be channeled through treasury and not own Projects accounts (E-mail Interview, April, 25, 2012). In this very SWAp, donors use their own project accounts.

Financing modality

20 million euro:

- 17 million, should all the conditions be met – repeated 2 times- budget support.
- 1.something million on the ongoing technical cooperation to help the ministry to comply with conditions associated with budget support
- 1.something million euro ongoing continuation for grant scheme to NGOs and vocational education. So the components have not been yet decided. They will be decided in the financing agreement which will be signed between the government and the European commission later this year. Budget support will be the main in terms of financial contribution.”(Interview 1, February, 18, 2012)

As the background chapter describes, there are certain conditions, applied to each tranche and these conditions must be met before the tranches is disbursed. The team leader of the technical assistance project thinks that conditions are “relatively soft” because this is the first time the ministry of education

and agency for vocational and technical education will be using budget support as a modality. (Interview1, February 18, 2012). The conditions were not yet signed.

EU will not control each euro. World Bank does it. EU trusts the country – it is the principle of SWAp. The money would be given in three tranches: 5,6,6. Before each tranche is given certain conditions must be met. If the first tranche is not used appropriately the country will not receive the second. There would not be the additional investments. They will lose the trust of the donor. This is another principle of the SWAp – the mutual accountability. The conditions of the EU make the system of education work for itself. Among the conditions – the country should improve itself and create effective governing system (Interview 2, February, 26, 2012)

The expenditure should comply with national procurement procedures and national public finance management budget conditions. That's why we are strengthening the public finance management in education right now to ensure that the" (Interview1, February 18, 2012).

Sector and donor coordination

The goals of the different donors are not certainly the same; they might be different and even conflicting, because the interest of the donors might be politically driven. Each donor has its own approach to defining the goals, which may in certain cases lead to the duplication of efforts between the donors.

This certain project uses the donor metrics and joint statement in order to prevent these risks. Donor metric means that each donor has its own route according to which it works. There is also a joint statement (Interview 1, February, 18, 2012). This document is prepared by the EU project "Support to the Kyrgyz Education sector". It sets the main values and principles and terms of partnership for management and development coordination of the Medium Term Education Development Program (MtDP) 2012-2014 and Medium Term Development Program for Vocational Education and Training. This document is not legally binding. It means that donors are free to conclude bilateral agreements with Kyrgyz Republic. Any party that has signed this Joint Statement is free to withdraw its participation from Joint statement and party other international partner, who is not the signatory of the document can join. (Joint Statement - draft).

There is will be only one monitoring, which implies there would not be separate monitoring systems conducted by each donor rather they would be one monitoring. They will all agree to one external monitoring level, monitor the performance of the joint statement for all donors. (Interview 1, February, 18, 2012)

Current project

Currently there is a EU project to the education sector which worth 1.9 million. It is a technical assistance covering all actors of education from pre-school education to adult-life-long learning. The duration of the project is 30 months and will continue till April 2013. This project is it a preparatory stage for budget support and for SWAP. The project will continue on a smaller scale during the implementation of the SWAP.(Interview 1, February 18, 2012)

The project has 5 components:

1. Institutional and capacity building – aid to the beneficiaries to be able to do good analysis of the present situation in education, to be able to formulate appropriate policy for the different programs of education and to be able to prepare operational plan on an annual basis with appropriate budget
2. Public finance management. It deals with public finance management in part working closely with the ministry of finance ensuring that the various principles of public finance management adheres to in the education sector, and then enhancing the capacity of both the staff of ministry and regional education directorate level and local self-government level in education.
3. Result-oriented management – application of best practices in Kyrgyzstan. Where we have policy measures for each level of education like pre-school –education or school –education attached to that budget and then you have results, that has to be achieved with this budget and that is known as result-oriented management. So we are trying to make a direct linkage between budget and results that are produced as a result of budget.
4. Strengthening the local self-government in terms of education and financial management at the regional educational level local self-government treasury and finance department level and in the school level. We are doing this by implementing the per capita financing in the education sector. And per capita financing in the education has been adopted by government through the decree 563 of the 20th of September 2011 and I strongly recommend that you obtain that decree because it explains how education will be financed – the methodology of financing education in the future. We are basically what we call PCF per capita finance. .
5. 3 million euro grant to vocational education where we are providing grants to non-governmental organizations to support vocational education, in especially the rural areas and regional areas where the NGOs are present. This is the mechanism to implement

6. innovative ideas how to enhance the vocational skills in country (Interview 1, February 18, 2012)

Chapter III - Analysis

Risk/Challenge #1 Lack of coordination and lack of experience

GIZ person #1 points out that it is difficult to coordinate the work of the donors: “The weakness is to streamline the donors’ interventions in a synchronized way.” (Interview 1, 23 of March, 2012). According to him donors have different goals, objectives, budget line, financing modalities. He states that donor coordination has to be streamlined: “Everything is on the right time and right place. And that’s a challenge, because each donor has a different speed, progress and implementation.” He supports his statement with the following example. Curriculum might be ready, however there is a delay of the provision of the computers required for the teaching. “Those practical things usually handicap synchronization and cooperation which you cannot influence.” Working out a plan, a schedule might not be a big challenge; however, the implementation is completely a different story due to unforeseen situations, which cannot be avoided.

The team leader of the project also admits that the donors might have different interests their own approach to setting goals and sometimes there may be duplication of efforts between donors. Donor metrics and joint statement and roadmap should help to avoid duplication (Personal Interview, 18 February, 2012). Joint statement is a document which contains the guiding principles for SWAP even if the donors use their own modalities. This document also contains the method of cooperation between the donors, and then key performance indicators. It is not a legally binding document.

EU guidelines tell that donor coordination should be led by the government not by the donors themselves (European Commission, **p. 22**). It implies that there should be a clear government-led coordination of the sector. The guidelines also tell that the donor coordination should not be the objective, rather it should contribute to the improved ownership and coherence (European Commission, **p.23**).

Therefore, the technical assistance project which is supposed to last 30 months (from November, 2010 till April 2013) is there in order to help the beneficiary – the Ministry of the Education to improve the human capacity and thus contribute to the leading role of the Ministry. The very same purpose of the technical assistance program is to help with the development of the human capital formation. “Beneficiary really uses technical assistance effectively and efficiently. It is very efficient and very effective... If the ministry uses the technical assistance team correctly than it is gonna be very efficient for their normal day to day work” (Interview, 1, February, 18, 2012). GIZ person #1 suggests that during the implementation the results will improve and become better and better.

GIZ person 1 claims that for the Ministry of education SWAP is a completely new approach which implies that there is no experience. It is the Ministry of education that should take the leading role and coordinate the work of the donors and coordinate within itself. “Ministries are the main force to steer and control SWAP approach. And this has to be organized by the Kyrgyz organizations. It is huge diversified area of different donors. Those steer and control of different interventions – this one to manage and organize in an efficient way – this is a big challenge. There is no experience. There is no experience to manage... There is no experience. It is absolutely new – a challenge and organizational skills – how to do this.” he says.

The project manager in the European Delegation suggests that SWAP works in the health sector. “...for ministry of health certainly has increased the capacity. I hope the same would happen to the ministry of education as well.” (Interview, 11 of April, 2012). Moreover, the project manager of the European Delegation thinks that they had positive experiences with this budget support in social protection sector. “...We have made positive experiences with this budget support approach. We have a feeling

and also we see the result and that can increase the capacity of the sector much more with budget support than with classical project approach because we disburse the money only if the conditions are fulfilled.”

Risk/Challenge #2 Financial risk

Two respondents, the representative of the Ministry of Education and the GIZ person II indicated that there is a risk related to the budget support of the European Union. Both of them doubt that the money transferred by the European Union will not in full amount reach the Ministry of Education. “The money will be first in the hands of the Ministry of Finance of course, and then the Ministry of Education will get less.” (Interview, 4, March 23, 2012) The financial resource of the European Union will go first to the Ministry of Finance and then from the Ministry of the Finance it goes to the Ministry of Education. The representative of the Ministry of Education says that the Ministry of Finance does not always provide the whole amount to the Ministry of Education and can make sometimes abstract decisions which may result in the less amount of financial than it was expected (Interview 5, 19 of April, 2012). She also says that it is almost impossible to find the answer for the lost financial resources because of the complicated procedures in the Ministry of Finance.

It is the Ministry of Finance who controls all the oblast and rayon finance divisions. (Herczyński, J., p.8) The lower levels of the administration prepare the draft budgets, however, these drafts are easily vetoed by higher levels and “new budgets are imposed, often through informal channels (with various budget numbers dictated in telephone conversations)”. It makes the whole system non transparent (Herczyński, J., p.9).

Risk/Challenge #3 Human capacity

According to the team leader the capacity of the Ministry of the Education is the most challenging things: “...capacity in the beneficiaries is probably the biggest challenge that I have probably.” (Interview 1, 18 of February, 2012). He thinks that due to low salaries, public servants, civil servants are not competent in their work, not skilled, because the talented people go work for higher salaries. “Ministries in Kyrgyzstan, as you know the public servants, civil servants are very low payment, very low salaries and as a result, we end up with people in civil service and public service that are not very competent in their work, not are skilled in what they are doing because usually talented people and innovative, talented people go on work for higher salaries usually work for higher sector.” The lady from the Ministry of the Education also pointed out that it is a big challenge when a

lot of people leave for better salaries. According to her usually people go to work in projects (Telephone Interview, April 19, 2012)

The present technical assistance project is supposed to increase the capacity of the government. The first component of it –the institutional and capacity building is aimed to help the beneficiaries “to be able to do good analysis of the present situation in education, to be able to formulate appropriate policy for the different programs of education and to be able to prepare operational plan on an annual basis with appropriate budget.”

Risk/Challenge #4 Resistance to the change

The representative of the Ministry responded that the resistance to the changes is one of the issues. According to her people staff of the Ministry might not be ready to the changes and there are always people who resist. She points out that not all people from the ministry are take extra work – the work with the SWAP – because they do not get paid for additional work that’s out of their daily activities.

According to the organizational change theory, it is the nature of the people to resist to the changes. Any kind of change might face resistance, big or small. One of the main reasons is the fear of unknown. Change is unknown and it might be anything – something positive or something negative. The change implies the end of the current state of things. When the current situations end, people feel sense of loss (Hage, J. T., p.604).

The project manager of the European Union Delegation states to work with SWAp implies less work compared to the individual projects. With individual projects: “They had to work with many projects in the past, they had to fulfill the requests of different donors. It might be better for them to work under one umbrella under swap, where joint assessment framework you have indicated your monitoring, and you have joint steering committee, you will not have in the long term 5 steering committees for projects of 5 different donors but you will have one with all the donors and the government where you will discuss the progress in implementation of the strategy.” (Interview, 11 of April, 2012). He suggests that if the SWAP is penetrated then there would less work to the staff of the Ministry then when the Ministry would work with the dozen of individual projects.

Of course there would be resistance to the change in the staff of the ministry, to the new regulations. However, it looks like that in SWAP, when the efforts of the donors in the sector are synchronized, and represent one donor, the workload is less, at least, it is easier to work, because there is one common package of all requirements, monitoring, and evaluation.

Risk/Challenge #5 Corruption

“I think it is a big mistake to transfer the money to the government of the Kyrgyzstan” says GIZ person 2 (Interview, 23 March, 2012, translated by the author). “This is something that you can’t influence as a donor... corruption issue is very difficult from the donor side to influence. As a donor if you spend only money the risk is high”, suggests the GIZ person 1. (Interview, 23, March, 2012). According to both of them for donors it is impossible to control the transferred money, they don’t control each euro.

The risk is much higher when donors provide the direct budget support and do not control each cent. “We will never participate in SWAp if the direct budget support is the financing modality, if the money goes directly to the hands of the government and they themselves decide where the money should go. I know a little bit how the Ministry works. I know there are definitely some clever people. They probably, follow the recommendations of the donor organization that gives the most of the money. They always work like this: listen to donors that are providing the money at the moment, the ones that give the most of the money” says the GIZ person 2, “” (Interview 2, March 23, 2012, translated by the author). **GIZ operates differently: “We** provide the aid in the form of advices, our money is small. Basically, we have small amount of money. Our goal is to help with advices, during seminars, for example, to teach people. That’s what we do... GIZ gives us money and exact tasks what we should do. For us it is absolutely impossible. There are some organizations that do not have staff but the money. We work completely vice versa. We will never in the world participate in SWAp if within SWAp the money goes directly to the hands of the government and they will themselves decide what to do with them. In the Terms of Reference it is clearly stated what we should do and where we should help (translated by the author, Interview 2, March 23, 2012, translated by the author).

It becomes especially true in countries where the level of corruption is high. Statistics from Transperany International shows that Kyrzgystan is one of the most corrupted countries. It is number in the list is 164 for 2010. Kyrgyzstan has point 2.1. The lower the point the higher the level of corruption. For comparison, Denmark is given 9.3. it is one of the least corrupt countries (<http://www.guardian.co.uk/news/datablog/2010/oct/26/corruption-index-2010-transparency-international>)

The team leader of the technical assistance project suggests that there are 6 functions for mitigating corruption:

1. Planning: there should a clear planning before the tranches of funding of the budget support are released

2. Procurement: it means that any procurement that budget support will use will have to comply fully with the national procurement laws, which are basically will have to be strengthened and complied with the international conditions, set up by the World Bank, EU and others. “Procurement should comply with the best practices, which will have to be validated by the European commission.”
3. Financing. “You plan, you buy something, and you finance it”. When the procurement procedures have been followed fully the financing can take place.
4. Monitoring – it should be adequate
5. Reporting
6. Evaluating of the results of implementation. This will be subject to strict audit and strict monitoring by the external monitors from the EU for the budget support.

The improvement of all these functions falls under the second component of technical assistance project – the strengthening the public finance management. The methodology of the budget support is following. The money – the 17 million euro would be given in three tranches – 5, 6, 6 million. Before each tranche is disbursed certain conditions should met. Technical assistance is here in order to prepare the Ministry of Education to get prepared to perform their functions better and be able to meet those conditions applied before each tranche.

The expert on the 5th component of the technical assistance project thinks that there are no measures against corruption. If the first tranche is not used appropriately the country will receive the second. There would not be the additional investments. The ministry will lose the trust of the donor. According to her it is most probably that not of all of the conditions would be met by the country. Only when people understand that there is a threat of not being able to get the next tranche, then they will start putting more efforts in order to comply with the conditions and fulfill the requirements of the donor (Interview 2, February, 23, 2012).

Risk/Challenge #6 Political stability - government problems – instability of the administration

“The success of the project depends on the political situation” says the expert on the 5th component. According to her the project was initiated in already in 2008. The negotiations on the ministry level took place in 2008 already. Since then 2 ministers were replaced. The staff of the Ministry of Education also changed.

Thus, political stability might be another challenge during the implementation of the SWAP. This factor already has influenced the preparation stage for the SWAP – technical assistance. According to the team leader of the project the elections in ... were the reason for the delays in the project. Some activities were delayed and some advanced. He waited until the political situation was stable in the country.

Risk/Challenge #7 Political decisions- Stable finance.

The technical assistance project is negotiating with the government in order to maintain the 6% of GDP for education sector. It would be a challenge to do that, because in 2011 there was an increase in the salaries of the teachers, As of May 2011, the salaries of education professionals

were increased by 100-150 per cent.(Matthew, N., p.27), which put a large burden on the education budget and it is a challenge to maintain it for 2012, 2013, 2014. 10 billion soms were used in order to increase the salaries of social workers for these purposes (<http://www.ca-portal.ru/article:840>, translated by author).

Moreover according to the team leader of the technical assistance project education is not a priority in Kyrgyzstan, not enough emphasis put on the education by the government. Because Kyrgyzstan does not have natural resources, the skills and knowledge of talented people are really valuable.

Risk/Challenge #9 – risk of not disbursement of the money

The project manager points out that there were cases for the social protection in the past where some amount of the money was not disbursed because some of the conditions were not fulfilled. For example, there was an agreement with the government that it would develop a policy on child protection and implement it. 2 years ago this condition was not fulfilled. There was no disbursement of part of the money.

The country should develop a policy regarding the certain policy. The government and donors agree on the conditions that should be met before each tranche and the government should meet these conditions. If the country is fulfilling the conditions the money is not disbursed, the part of the money.

The project manager provides an example. In 2014 for third payment - 6 million (draft version, the conditions were not approved yet) there are 8 conditions. Each condition corresponds to some weight. If one of the conditions has weight of 10% which is 600 000 euro (10% of 6 million are 600 000). This condition is minimum 7 occupational standards developed and adopted for vocational education based on minimum three sector studies carried out the AVTE and on regional level market

studies available at ministry of labour (Interview, 11 of April, 2012). If at the beginning of 2014 while review mission that this condition is not met 600 000 euro will not be given to the government. If the other conditions are met the rest of the money may disbursed. The metrics of conditions are developed together with the government. After the all the conditions have agreed and the financing agreement has been signed the donor will we monitor the progress and discuss at the regular intervals progress and achievement of conditions.

Project manager says that the budget support guidelines of EU do not foresee any waivers for the conditions to be met because the waivers can lead to postponement. He also says that in the past the government wanted to postpone. Only in the case of a force major – revolution, civil war some of the conditions can be postponed.

“ If the conditions are not met then there is a question does it makes sense to implement this budget support. we would probably restart discussions with the government say, see I mean what we have discussed and agreed 3 years it is not realistic. Shall we continue or not. We could also stop. It happens, it happened in many countries that we stopped our budget support disbursement. But usually, in Kyrgyzstan it has not happened so far. You basically fulfilled the most of the conditions - the government has and only some of them were not met”, he adds.

Conclusion

This paper tried to analyze the SWAp in the education sector in Kyrgyzstan. The SWAp in the education sector is not the first approach of this nature. SWAp in social and health sector were implemented earlier. SWAp is supposed to be something different from the individual projects. SWAp was supposed to achieve the objectives that the individual projects were not able to do. SWAp deals with the problems on the bigger scale, on the sector lever. It synchronizes the activities of the different donors and thus helps to avoid duplication.

The attempt was to find out what are the challenges and risks associated with the relatively new approach. The following challenges were identified during the research:

- Donor coordination – it is important to regulate the donor activities, especially when there are a lot of various donors in one sector
- Financial risk -
- Human capacity – in the SWAp the human capacity of the government, and of corresponding ministry should strong or strengthened before the implementation
- Resistance to the change – it is not an easy task to apply SWAp because it is a new approach and people usually tend to resist to the changes
- Corruption – corruption is another risk associated with SWAp. It is possible that the money might be spent purposes other than specified in the priorities of the SWAp. Nevertheless, the conditionality within the framework of the SWAp is supposed mitigate against corruption
- Political stability – this risk is especially in the context of Kyrgyzstan, with unstable political situation, which can also influence the political decisions. The decisions made by the government play an important role in the SWAp since it is the government that should take the control over the whole process.

In my point of view SWAp is a good idea. Instead of the different segmented projects, SWAp addresses the sector problems. It is a good approach for the donors to unite the efforts in the aid delivery. I think that SWAp would gradually become one of the main approaches among the donor community.

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Appendix 1 – Interview 1

Interview with team leader of the technical assistance project

Team Leader (T.L.): I am the team leader of current EU project support to the Kyrgyz education sector. It is a 1.9 million Technical assistance covering all actors of education from pre-school education to adult-life-long learning and it runs for 30 months in duration. It has been already 1.5 years and it will continue till April 2013. There are full time key positions in the project and we have a number of short term experts who work on the project. The key long-term experts consist of a team – leader, which is myself, mainly, criteria for a team leader position is expert in education policy, we have a public finance management expert, who is also working full time working with our project and we have a local national coordinator who is really interface between project beneficiaries and we have a large number of short term experts, who are working with us. As a result of restructuring of our project in November last year we have added three additional local consultants on a semi full time basis. And these local consultants cover public finance management, they cover pro capita financing in the education system and they cover institutional building and capacity – institutional development and capacity building.

I: You mentioned the restructuring. What was the reason for it?

T.L.: Two reasons for restructuring the capacity of ministry of education and staff of the ministry of education were not able to participate efficiently enough to implement the project because it is 93 activities and for that reason we had strengthened our consultancy team to provide additional support to the ministry and to the project.

I: Is the public finance manager is from EU?

T.L.: Expert in public finance management, key expert and we have one short term expert, local expert on public finance expert management.

I: Why EU is interested in assisting the project?

T.L.: for the last 10 or 15 years the donor community were mainly supporting the economic sectors of Kyrgyzstan and not much real attention was paid to the education sector. So in the recent years, in the last 5 or 10 years in particular they've started to be a focus on human capital formation which is education and skills. And of the reasons, main reasons, probably, EU in the last, since 2008 in particularly was support to education development.

I: How do you think: what is the rationale for the whole EU presence in Kyrgyzstan?

T.L.: Well you have seen, no doubt, the part of your research is leading up to this piece of your work. The EU external aid has its own objectives to support developing countries developing regions. I presume there is a political reason, and there is an economic reason. The political reason has been an alignment with EU policy over development goals and development aid. The economic reason is of course to enhance EU's trade and linkage with regions of the world, particular South East Asia and Central Asia. It has been interest of EU for some time and history has shown the more developed a country or a region is the better it is for trade and cooperation of a commercial nature. You have seen countries like Brazil, India and China, who are developing countries for quite a long time, but in the recent years, they have become almost developed countries and as more developed they have become partners with EU in commercial and economic sense. So, that probably the main reason for EU's interest is development work, so development component and I also put into trade component and economic, commerce component.

I: What is the role of each beneficiary in the project?

T.L.: The main beneficiaries, the main stakeholders at the moment for our project – support to Kyrgyz education sector are the ministry of education and the agency for vocational and technical education under the ministry of Youth, Labor and Employment as it is now. So they are the main beneficiaries We also have linkages with ministries of Finance.

I: There were 5 people, but now...

T.L.: Yes, we have ten people now as a result of restructuring. At the beginning of the project we had a small team of only five. We have added three more and because we have short – term experts, at any time we have 2 or 3 short expert, which bring the team up to 10 on an ongoing basis. We have several full time staff and you could say we have 3 or 4 what we call floating staff which are international and local short-term consultants, which float in and out of the project. I have maximum capacity for 8 or 9 people, in terms of chairs and space, desks.

I: So it means that all these work is a preparation for the SWAP?

T.L.: The word technical assistance is normally used in the EU. We prefer to call it technical cooperation it is really a technical assistance. The word technical cooperation is now more or less commonly used in the EU terminology. So this technical cooperation, yes, it is a preparatory stage for budget support and for SWAP. Although it will continue in a smaller scale during the implementation of SWAP to provide key technical assistance in the areas where it is most needed during the implementation of budget support

I: What is technical assistance?

T.L.: The present project has five components to it. The first component is what we call institutional and capacity building helping the beneficiaries to be able to do good analysis of the present situation in education, to be able to formulate appropriate policy for the different programs of education and to be able to prepare what I call operational plan on an annual basis with appropriate budget. That's the first component. Our second component, everybody knows that public finance management needs to be strengthened in this country. So that our second component deals with public finance management in part working closely with the ministry of finance ensuring that the various principles of public finance management adheres to in the education sector, and then enhancing the capacity of both the staff of ministry and regional education directorate level and local self-government level in education. Our third component is what we call result-oriented management, where we try to apply best practices in Kyrgyzstan. That means that where we have policy measures for each level of education like pre-school –education or school –education attached to that budget and then you have results, that has to be achieved with this budget and that is known as result-oriented management. So we are trying to make a direct linkage between budget and results that are produced as a result of budget. Our 4th component is strengthening the local self-government in terms of education and financial management at the regional educational level local self-government treasury and finance department level and in the school level. We are doing this by implementing the per capita financing in the education sector. And per capita financing in the education has been adopted by government through the decree 563 of the 20th of September 2011 and I strongly recommend that you obtain that decree because it explains how education will be financed – the methodology of financing education in the future. We are basically what we call PCF per capita finance. The 5th component is the grant component. This is a three million euro grant to vocational education where we are providing grants to non-governmental organizations to support vocational education, in especially the rural areas and regional areas where the NGOs are present. This is the mechanism to implement innovative ideas how to enhance the vocational skills in country.

I: In which form you provide assistance?

T.L.: the approach is typical consultancy approach. I call it process consultancy. Take a note of it and remember to send me an e-mail and I will send it to you. Process consultancy is the methodology that

we use in our technical assistance that I use as a team leader. Team leader uses this approach. It has a number of steps from being to advocate to our followers. The approach ranges from being directly engaged in doing something to very likely supporting something. It is a continuum of a direct support to non-direct support. I will send it to you by e-mail. It is called a process consultancy.

I: is everything going according to the plan?

T.L.: yeah, well I rely on the project, April-May last year. I rely on looking at some economic situation in Kyrgyzstan that education would not change without budget, without finance, in other words, development of education was directly related to amount of budget that was available. Looking forward at the economic situation I realized that the budget in this country for education would not change until maybe 2015. In other words, 5.5 -6 % of GNP of GDP would be allocated. This motivated me to delay certain actions in the project considerably, pending some conclusion and some decision to be taken whether we could have a SWAP in the education sector, In July of last year, in international conference, our EU ambassador announced that yes, there was a possibility, may a be possibility of 20 euros been allocated to the education sector under the SWAP mechanism. A lot of work, a lot of my time was devoted to that particular task in preparing the next three conditions. The decision was taken in September, yes we can go to the next phase of preparation for SWAP. So certain activities in our project were delayed and certain activities were advanced. So I would say that probably at the end of November, when I reviewed my 6 month I found that probably 60% of our project activities were delayed deliberately pending the 2 critical items. Number 1 was SWAP and number 2 was the elections. I waited for the elections and to see what kind of situation we would have, post elections which had impact on the ministry and beneficiaries, because as you know they had to downsize by approximately 20% in terms and number of people working both in the ministry of education and in the agency of vocational and technical education. We also have of course now a stable situation because we have the ministry, one of the few ministries that remained in the government that are responsible for education and we have what I call a stable situation in terms of beneficiary and so now we are much quicker. So in November we were behind and now we make progress and we are still about 15-20% behind. But I think that by April we will be certainly back on target in implementation.

I: does it mean that the main reason for delays was the political situation.

T.L.: the main reason for delays were the strategic decisions that the project took and that I took specifically as team leader in the project pending the outcome of swap early negotiations and the political situation, political stability in the country post elections.

I: What are the difficulties that you have encountered during your work so far?

T.L.: the difficulties of course are similar to all the ministries of education. Ministries in Kyrgyzstan, as you know the public servants, civil servants are very low payment, very low salaries and as a result, we end up with people in civil service and public service that are not very competent in their work, not are skilled in what they are doing because usually talented people and innovative, talented people go on work for higher salaries usually work for higher sector. So capacity, observative capacity in the beneficiaries is probably the biggest challenge that I have probably.

I: What might the further difficulties?

T.L.: The biggest challenge going forward is stable finance. We are trying to negotiate with the government that we maintain 6% of GDP for education sector. This would be a challenge to do that. The second challenge 2012 maintaining the budget for education because as you know in 2011 there was an extension of increase in salaries of teachers, and this put a large on the education budget and I am hoping that we would maintain this 2012 and 2013, 2014, and that one challenge. The second challenge is little commitment of human capital formation. Kyrgyzstan does not see at the moment... there is not enough emphasis put on education as priority of government. Kyrgyzstan does not have natural resources like Kazakhstan, and other neighboring countries. Therefore, the wealth of the country like Kyrgyzstan will depend on the skills and knowledge of talented people.

I: Is the financing modality for this project is the budget support?

T.L.: Not completely right, let's say that it is a narrowly swap. This is very interesting approach that's been kind of advancing for some time. First of all I found fragmented approach to donors and education at a narrowly stage of my work. And then I tried to work with donors to create what we call donor metrics to support education. That means that specific donors would target different subparts of different sectors of education and within that context leading from the donor metrics we are now moving to what we call joint statement. That means that joint statement where all people, all donors will agree to cooperate in education development, to cooperate in the targets to be achieved in education, whether they use their own modalities for financing or contribute to budget support does not really matter as long as they are contributing to joint statement and achieving the agreed targets for the education sector. This is slightly a different approach. Overtime we will find that budget 2015 which will be the second tranche of the second – swap II, let's call it. Then we will find that modalities will be predominantly budget support in the spirit of swap. But we are at the very early stage. This experience help or health swap, it was called a help swap, but really it was not, because many of the donors used their own modalities. But they are working together to support the joint agreement of the joint statement in supporting health. Even within the forthcoming education swap we will of course have UNICEF and other UN agencies and of course they can only use their own modalities although they are sign up to this swap joint statement but they will use their own modalities. Those donors that will join swap will use budget support and those that will not join through swap, will be partly swap in the joint statement but will use their own modalities.

There are different components that make up 20 million. 17 million, approximately 17 million, should all the conditions be met, will be allocated, and I repeated again, should all the conditions be met, will be allocated for budget support. There will be, I don't know, 1.something million on the ongoing technical cooperation to help the ministry to comply with conditions associated with budget support and there will be 1.something million euro ongoing continuation for grant scheme to NGOs and vocational education. So the components have not been yet decided. They will be decided in the financing agreement which will be signed between the government and the European commission later this year. Budget support will be the main in terms of financial contribution.

I: How can corruption be prevented.

T.L.: Corruption in K is high; corruption of course is high in the education sector, which we all know. The risks associated in budget support are all there and also high, but the functions that are critical to mitigating against corruption is... there are 6 key components to it. This is planning, so in other words, before the tranches of funding of the budget support is released there is a clear planning, the second area is based on the plan there is procurement, this procurement is done. Any procurement that budget support will use will have to comply fully with the national procurement laws, which are basically will have to be strengthened and complied with the international conditions, set up by the World Bank, EU and others. And then there is the based on procurement, if the procurement complies with the best practices, which will have to be validated by the European commission, then financing can take place. In other words, you plan, you buy something, and you finance it. And you only finance it when the procurement procedures have been followed fully and have been said: yes, we can now proceed. This is the normal process, and then adequate monitoring reporting, evaluating of the results of implementation. This will be subject to strict audit and strict monitoring by the external monitors from the EU for the budget support. There is, let me explain again the methodologies. There are certain conditions, applied to each tranche and these conditions must be met before the tranches released and we are in the 1st of the funding, we are in the 1st cycle of swap in education. Our conditions are relatively soft conditions, in other words, not strong conditions, because this is the first time the ministry of education and agency for vocational and technical education will be using budget support

as a modality, so we are mainly providing technical support, technical assistance to the ministries so they can implement. So this will also mitigate against corruption and what we call fiduciary risk associated with budget support. The expenditure should comply with national procurement procedures and national public finance management budget conditions. That's why we are strengthening the public finance management in education right now to ensure that the

I: MoES lacks institutional, technical and human resource capacity - what is meant by this?

T.L.: Yes, it is very true. In our current project said earlier, the 1st component – institutional development capacity building and we are doing that now by approaching some new techniques and new ideas. We are saying that for swap for example, I mentioned earlier, there are six functions that are important, such as planning, procurement, financing, monitor, report, evaluation – these are 6 critical functions for swap. They have to be in place and we are now working to make sure they are in place. And we now have recruited 2 procurement officers for the ministries that will be coming to join the ministry shortly, and fitting up procurement procedure so that ministry carries out procurement function according to the procurement laws of the land and best practices. The other area is functions around the main programs – we have 6 programs for the ministry. These are pre-school and child development as a 1st program. Their functions are associated with that it will have to be truly identified institutional development taking place around those. The second area – is school education which is grades 1-11. There are key functions associated with that, that we are working right now in fact in our international consultancies here at the moment doing in-depth functional analysis for the ministry. We have the other areas where the ministry is concerned is technical professional education and higher education and then we finally have the agency which we are also providing assistance to the agency for technical and vocational education and those functions have been clarified in partnership with ADB – Asian Development Bank.

So in terms of the institution building these functions will be peculiarly identified the role of functions in the frequencies of those functions. And then what we call, the next stage – is to put the system in place for those functions. And finally we have what we call capacity building. And capacity building will be based on 4 types of capacity building: induction, training for all new people that come into the ministry, that they understand the roles and functions of the ministry. The second area is what we call the co-components training. These are components across all the steps in the ministry. Do you understand the law in education for example? Do you understand the various normative documents associated with education? What if you are the ministry or service provider, you are providing services to citizens of the country, do you know your role as a service provider. So, things like time management, things like ethics of work. So we look at co-components that we have identified probably can, maybe, I am not sure yet. And each member of the staff until in 2012 who participated in these co-competency training and then we have job-specific training. As I mentioned earlier, we will have 2 people dealing procurement and they will receive job-specific training, related to their specific job. And finally there is an opportunity for career development, where we would encourage doing a master's degree, for example, probably education management or education economics. So these are 4 types of capacity building that we will be putting in place in ministry. Encouraging means part of their career development, because you come in to the ministry, you hold a particular level in the ministry and all for you to advance your career and to progress the ladder for example management ladder in the ministry, maybe it will be an advantage for you to do a master's degree on education on a part time basis. Would you be a manager or director or maybe a minister sometime in the future... We may provide some additional support to staff members... We have already been working with other foundations and funds, and so on. Some of our ministry staff right now are participating in human resource management master's program and few are the programs that have been supported by, you know the service funds, like Allbright and other funds.

I: How mutual accountability is possible in the light of corruption present in our country.

T.L.: Mutual accountability, where the responsibility to larger extent is transferred to the beneficiary. But mutual accountability means that donors still have a large presence in the accountability. There is the joint statement. We have three levels of management in swap. We have the advisory council and this will be chaired by the vice-minister for, probably, the social services within the government and made up of ministry of finance, ministry of economics and so on. These are the highest level in the swap decision making process. The next level is steering committee made up of operational level, which is ministry of finance, ministry of education, ministry of youth, labor and employment. This ensures that accountability is there, so this is the role of the steering committee. The third one is the operational level. What we will be doing at the operational level is that for accountability and ownership they will have to operate within what we call guiding principles and operational manuals. So we will be putting in place operational manuals for, for example, procurement. So the system will mitigate against corruption, they will be developed, but per capita financing is one system that really, is a system that is designed to mitigate against corruption and this is why we have so many people in the schools sometimes in the parliament not very happy about per capita financing model because it really prevents corruption.

I: Have the performance monitoring system been developed? Could you please describe it?

T.L.: at the moment as you know we have right now, in February, March of this year we are in process of approving by the government our medium-term program for 2012-2014. It was slightly delayed by the months of formation of new government; also as you know the approval of the budget has been delayed because only last week we had the budget hearings in the parliament... Sorry, I've lost my thoughts. So the medium-term program has been approved, associated with the medium-term program a set of, what we call, key performance indicators. And associated with key performance indicators will be a monitoring system, what we call result-oriented management system. That we are on the process of putting in place in ministry starting with pre-school education, school education, technical professional and higher education so each level of education what we call a program of education as a clear set of indicator that will be monitored in the context of performance monetary. We have not yet finished the joint statement in the context of swap, is one of the smart indicators the one that really makes difference and I think it will be probably maybe three weeks before we have finished the joint statement and indicators.

I: Who is the lead donor?

T.L.: it depends on the donor metrics. For example in area of child development and pre-school education UNICEF will continue to be the lead donor for that program. For school education it is not yet been fully ratified but most likely the World Bank will be the donor for school education. But that is not sure, because the modalities for World Bank support have not yet been completed. For technical professional and vocational education the EU will be the lead donor on those particular two areas.

I: Different goals donors might conflict. Is that right?

T.L.: Of course, there are always going to have conflict donor interests because donor's interests sometimes are politically driven, they have their own approach to setting goals and sometimes there may be duplication of efforts between donors. I think through what we call donor metrics and joint statement certainly help considerably and each donor will have specific roadmap going forward. So we have metrics, we have a roadmap and we have a joint statement. I think that really is extremely helpful. I think we now rely that the most 4 important areas for education in the next 10 years or 20 years in Kyrgyzstan is 4 guiding principles, 4 simple things to improve education: we need better curriculum, we need better teachers, we need better teaching methods and learning materials, better education infrastructure, which includes modern ICT (Information and communication technology) in education such as interactive video, maybe elements of cloud computing, most students in the 5 years will Smartphones. There is no reason why you should not be able to download your

curriculum, download your reading materials and lessons on your Smartphones. So, you know, we should also take care of, what we call, lead frog, quiet debate which we can do with current technology. Then I think all donors understand that curriculum, teachers, teaching methods, and learning materials and education infrastructure. Education infrastructure in the future may not be the schools of course. There will be a joint statement with guiding principles for SWAP even if they use their own modalities. Second area is the Joint statement the guiding principles, first part, the method of cooperation between the donors, and then key performance indicators, number of technical annexes to the joint statement. It is one document. And then one document will be subject to joint monitoring agreement. There will be only one monitoring. Each donor will not do their own monitoring. They will all agree to one external monitoring level, monitor the performance of the joint statement for all donors.

The country has already developed its own strategy. It is called education 2020 and the medium term program 2012-14 is the 1st program for implementing that strategy. That is going through the parliamentary process now and the first hearing was last week and it was approved by all the ministries adopted it. We only have one more ministry to do, which is always the last ministry, ministry of justice in the process.

I: Your evaluation of the strategy

T.L.: the strategy that was set by the ministry was set based on the Paris Declaration that they took the ownership for formal strategy together with national working groups last year, which we supported. We did not write the strategy for them. We allowed the ministry and local people to write it. In my evaluation would be that it is a little bit ambitious, and goals and targets for the strategy 2012-14 will be subject to what we call midterm review and this is one of the conditionalities of SWAP that the ministry carries out the midterm review of the medium term program in 2013. Ambitious in terms of targets that it set within the strategy like for example universal pre-school education, where by every 5 or 6 would be entitled to one full year of education. That target is too ambitious I think in the period of 2014. Our estimates would be that if we achieve 70% it will be a major achievement. Similar targets have been set in the other levels, like school education, technical education. They need to be reviewed during the midterm review in 2013.

I: Costly, ineffective and donor driven are the critics for technical assistance.

T.L.: Technical assistance is expensive, of course, donor –driven, yes. Ineffective that depends on the beneficiary. Beneficiary really uses technical assistance effectively and efficiently. It is very efficient and very effective. I will give you for example, presently in the ministry of education we have 59 people and we have a technical assistance team of approximately 10. So that gives you an indication of a size of technical assistance team with the size of the ministry. If the ministry uses the technical assistance team correctly than it is gonna be very efficient for their normal day to day work. Technical assistance fails because of lack of receptivity and lack of understanding by the beneficiary of how to use technical assistance and the interface to technical assistance. They do not know how to use it and secondly, they don't have the competencies to be able to build an interface to understand the work of technical assistance. Not necessarily lack of understanding. It is lack of the ability to see that development in education is important. Instead of it normal day to day work, pushing one piece of paper to other.

I: What are the next steps in your work.

T.L.: In our work, yes, we continue of course implementing until April 2013 our current project. It is supporting Kyrgyz education sector. It is a very broad project. We have 93 tasks that we have to implement. We will continue implementing those for the benefit of the education and of course most importantly, continuing supporting the preparation for SWAP, particularly, restructuring the institutions of the ministry, institution development around the 6 core functions, planning, procurement, financing, , monitoring, reporting, evaluating for the context of education that will be subject to budget support.

- Objectives of EU
- Development aid
- Modalities in terms of swap
- How to swap system works
- Processes of SWAP
- Why technical assistances fail
- Critic of technical assistance
- Process consultancy
- +/- balance between assistance and just a worker
- Program implementation limits

My work is to integrate, where I provide support to the ministry to do it, not me to do it. This is the whole approach of swap of course. Swap is responsibility and accountability to the ministry to do the work. That's the trust of our work.

Appendix 2 – Interview 2

Interview with the expert on the 5th component of the technical assistance project

Я: Как давно вы работаете над этим проектом?

Ф.Р. В ноябре 2010 года начался этот проект. Я конкретно была принята на работу в декабре 2010 года.

Я: Какова ваша роль в проекте?

Ф.Р.: Таак, ну.... У нас 5 компонентов в проекте и пятый компонент – это поддержка службам Еврокомиссии управления мониторинга грантовой программы поддержки сектора ... образования и обучения. Я отвечаю за этот компонент. Как бы эксперт, нанятый проектом для реализации 5го компонента. Значит, в апреле месяце уже 2011 года был объявлен конкурс международный конкурс по грантовой схеме поддержке профессионального образования и только в декабре месяце контракты были подписаны, потому что конкурс международный, и он проходил в 4 этапа. И выиграли этот конкурс 5 НПО – одна местная компания в сфере общественных технологий и 4 международные компании: международная организация миграция в Кыргызстане, это институт Мустафа Штреземана (Германия), Handicapp International (Франция) и межцерковная организация сотрудничества и развития что ли, это Нидерланды в общем. 5 НПО выиграли грантовые проекты. Общий бюджет 3 миллиона евро. И грантовые проекты будут реализовываться в течении 18-20 месяцев начиная с февраля месяца. Я в этом проекте буду мониторить, ежеквартально грантовые проекты и результаты прогресса реализации этих проектов будем представлять в Евросоюзе.

Пятый компонент – он как бы был дополнительно присоединен к нашему проекту, потому что параллельно с технической помощью Евросоюз объявил грантовую программу в поддержку

профессионального образования, поэтому в нашем проекте такой пятый компонент, который дополнительно идет. Но техническая помощь в основном направлена на повышение потенциала министерства образования и агентства проф. тех. образования. Это вот 4 четыре компонента основные. В проекте он компонент, но не относится к технической помощи. Это отдельно грантовая схема, 3 миллиона. Если наш проект 2 миллиона, то грантовая схема – это 3 миллиона евро, отдельно вообще. Евросоюз их сами организуют и конкурс наш и компонент этого проекта помогает в мониторинге управления проекта. А техническая помощь, моя роль в общем проекте еще как координатор проекта моя основная роль – это обеспечение взаимодействия, контакт с основными бенефициарами, это мин образования и науки и агентство проф тех образования – это основные бенефициары, с которыми мы должны тесно работать и развивать потенциал, чтобы эти два ведомства были способны к началу бюджетной поддержки, чтобы они получили навык компетенции самостоятельно управлять бюджетными средствами, планировать, составить политику и стратегические направления, реализация, использование бюджетных средств эффективно на выполнение этой политики и все вопросы, которые связаны бюджетной поддержкой, значит. Вообще подход Евросоюза к бюджетной поддержке использовать механизмы, инструменты, все процедуры страны, развивать потенциал людей, и через эти инструменты улучшать систему образования в целом.

Я: Какую конкретную роль играет мин образования?

Ф.Р.: Вообще, этот проект направлен, наоборот, на развитие потенциала министерства.

Представители образования, со своей стороны должны участвовать, они должны активно проводить с помощью наших экспертов проекта, с помощью проекта технической помощи, развивать свой потенциал – это раз, улучшить функции, стараться изменить систему правления, т.е. все необходимые для будущей бюджетной поддержки функции они должны улучшить. Естественно наш проект направлен только на помощь. Мин образования и агентства, они должны сами быть заинтересованы в улучшении своих функций, чтобы умели и бюджет планировать и политику формировать.

Я: Мистер Deasy говорил, что работники мин не до конца понимают свою роль. Ваши комментарии.

Ф.Р.: Наверное, получается, мы не донесли до них, раз наши бенефициары, с которыми мы работаем полтора года не понимают своей роли, значит мы, я так считаю, которые... направлен на это не донесли до них, раз они... В чем роль, конечно, есть в системе гос правления есть свои проблемы, о том, что можно так сказать, навязываемая, вещь, как всегда доноры приходят в страну и навязывают, «давайте вот это делать». Это неустойчивость руководства в системе гос управления, т.е. этот проект был задуман 2008 году. И проводились переговоры с правительствами на уровне министров в 2008 году. С тех пор уже поменялось 2, кажется, министра и естественно, теперешнее руководство, состав, наверное, тот же остался, частично поменялся, может быть, у него своей такой цели, как бы, в принятии решения этого вопроса не было. Он прекрасно понимает, что такое бюджетная поддержка и что требуется, но состояние системы управления в целом, не только министерства образования сейчас еще не готово, наверное, принимать на себя такую ведущую роль, чтобы полностью гарантировать, что это будет выполняться, поэтому техническая помощь поддерживает министерство, чтобы они научились.

Я: Мистер Дизи говорил, что люди в мин не понимают важности этой поддержки.

Ф.Р.: Согласна, но то, что люди не принимают помощь, значит, люди не видят пользы от этого. Это проблема со всеми проектами донорскими, не только технической помощи. Любой другой донорский проект всегда сталкивается с не препятствием, но по крайней мере, неучастием госорганами правления, с другой стороны... Ты спросила у него? Мало ли, что он сказал, что я скажу. Я считаю, что, в принципе, за 20 лет было много донорских проектов и, естественно, что

доноры приходят предлагают там свою помощь, сверхъестественную, там методы, но опыт показывает, то, что они ничего нового не дают, пользы от донорских проектов для гос служащих было мало, результатов от донорских проектов в течении 20 лет, практически, ну если, что осталось, на а, в принципе, не используется. Сама, наверное, знаешь, за 20 лет какие были изменения, сколько всего было порушено, но и развитие, конечно в том числе есть, но в структуре госуправления, может быть, даже прочитаешь, свап, этот подход для чего сделан. Главное, развитие местного потенциала, человеческий ресурс – это остаточный результат, который, он должен умножать вот эти инвестируемые деньги своим потенциалом, мозгами. Раньше получалось, они деньги и вкладывают, люди не развивают человеческий потенциал. Эти деньги расхищаются, ну как бы изнашивается оборудование, это все устаревает, люди не развиваются и они так же остаются бедными, правильно? Бюджетная поддержка, почему используются местные ресурсы, в смысле инструменты, если человеческие ресурсы должны использоваться, т.е. наращивается капитал именно собственных ресурсов страны, тогда уже вкладывая следующие средства уже эти ресурсы, могут использовать деньги более эффективно и развиваться самостоятельно. Не будет же доноры всю жизнь инвестировать, постоянно помогать, помогать. Когда то уже страна должна сама развиваться. Сингапур, ЮАР, им тоже инвестировали до такой степени, когда они уже сами стали даже еще развитее, поэтому через свап именно, почему в бюджет вкладывают деньги, потому что бюджетные средства из государства, минфин, минобразования, уже внутренняя структура управление государственные, они сами будут использовать эти средства. Вот.

Я: Основной риск для бюджетной поддержки – это коррупция. Как можно этого избежать?

Ф.Р.: Нет. СВАП не предотвращаются. Подход ЕС таков, что они не будут четко каждый евро контролировать, куда деньги уходят. Это Всемирка контролирует до каждого цента. Подход ЕС более доверительный, наверное, стране. Используя внутренние инструменты борьбы с коррупцией, должна страна сама с этим бороться. Потратит ЕС деньги, Кыргызстан, если деньги ЕС бессмысленно потратит, страна сама останется с носом - на следующий транш (денег) ЕС не даст. ЕС, как бы, в 3 транша дает 17 миллионов: 5, 6, 6. Если первые условия (условия ставятся) не выполняет Кыргызстан, деньги потратил, а условия не выполнил, (то) следующий транш они не получают, просто доверие потеряют, как бы дополнительных следующий инвестиций не будет. Т.е. страна должна это понимать, раз им доверяют, но с другой стороны, у ЕС условия таковы, что заставляет систему образования работать на себя, допустим государство, оно должно, чтобы выполнить следующий транш получить, там есть такие условия, что оно должно себя улучшить, т.е. создать эффективную систему управления. Коррупции там, конечно нет, бороться с коррупцией, но есть пункт улучшить свою стратегию, индикаторы оценивания, т.е. там такие условия ставятся, которые заставляют улучшить всю систему, тогда они получают деньги. Это так механизм работает.

Я: насколько вы оцениваете успех.

Ф.Р.: Знаешь, время покажет. Я не могу сказать. Там очень много факторов, которые будут влиять на это все, и политическая ситуация, насколько бенефициары наши будут действительно активно будут желать это делать, но... ну это как любой человек, когда столкнется нос к носу, с какой-то проблемой, только тогда начинает понимать человек, правильно, а до этого как бы эксперты тут перед бенефициарами не плясали, не рассказывали как это сложно, как это хорошо, как это полезно, давайте делать, пока они не поймут финансовую проблему следующего транша не получают или будет проблема риска неполучения, тогда они уже начнут шевелиться. Это сущность человека. На счет успешности говорить рано. На счет того, что будут получены бюджетные средства, в принципе, здесь процент говорит о том, что вопрос будет решен положительно Брюсселем, будет поддержана бюджетная поддержка в сектор образования.

Однозначно, процесс идет сейчас положительно, даже ускоренно, процесс это очень серьезный, поэтому он долго проходит, тем более, (что) международные связи, процедуры ЕС, они такие длительные. Я же говорю, контракт получателя гранта, он где-то больше полгода шел, подписывался. А сейчас, уже, в принципе, бенефициары, мин образования и агентства, по крайней мере, открыто говорят, что да, они ждут бюджетную поддержку и согласны работать. ЕС сейчас усиленно делает документы, готовят для подписания финансового соглашения с Кыргызстаном, чтобы Брюссель одобрил, там же тоже Европарламент и вот. И что немаловажно, это доноры действительно... swap это когда совместная поддержка бюджета в секторе образования и доноры сейчас очень активно работают по координации своей деятельности, и, причем это координация донорской помощи идет во главе с мин образования, т.е. министерство здесь лидирует, это важный процесс идет. Вот. Ну и стратегия она сама по себе мин уже почти готова на утверждение страной, т.е. стратегия как бы база на основе чего бюджетная поддержка будет оказываться, так что я так думаю, что ну, на 99 % это будет реализовано, бюджетная поддержка начнется со следующего года, как бы вливание денег, но сейчас уже министерство должно работать на swap готовиться. На счет успешности, через три года придешь.

Пятый компонент идет независимо, это грантовый проект ЕС, который поддерживает профессиональное образование. Подготовка к swapу, это 4 компонента, и отдельно пятый компонент – это просто дополнительно к нашему проекту эксперта нанимаю, чтобы помогать ЕС управлять грантовой программой.

Я: Какие трудности могут быть, как их преодолевать? С какими трудностями вы сталкивались, что задерживало работу.

Ф.Р.: эксперты слабые бывают, т.е. нанятие экспертов как бы один из ключевых моментов успешности проекта, в смысле, если эксперт слабый и просто будет гулять, то в принципе результата в проекте не будет и сложно работать в проекте всей командой. Естественно коммуникация экспертов с counterpartami, ну вот непосредственный партнер, сотрудник бенефициара, с которым должен контактировать, когда не идут навстречу, либо одна сторона, либо другая сторона, невозможно тогда успешно работать. Это в нашем проекте. Проблемы – задержка проплат, допустим, мы проводим мероприятие, но конечно мы должны заранее давать на подтверждение выплаты средств финансовых, долгие процедуры, международных, вот допустим, я думаю, что во всемирке и АБРке тоже такие были проблемы, т.е. если закупки делают, процедуры всемирного банка, АБРки, ЕС они очень сложные, длительные. Естественно, по плану, проекте не успевает делать, потому что задержка не от них, а уже от этих процедур всемирных, проблемы задержек закупок. Если нанят какой-нибудь неквалифицированный, такой слабенький эксперт, тоже проблема в проекте работать. Можно заменить, меняют. Ну, это же опять процедура. Экспертов тоже нанимают – международный конкурс, это 3-4 месяца, очень затяжные процедуры. Может еще не отработан механизм подтверждения их компетенции, квалификации, которые в резюме написаны.

Я: а такие случаи были, что приходилось менять экспертов?

Ф.Р.: а тебе для чего? Для успеха нашего проекта именно со стороны бенефициара был поднят вопрос о замене руководителя проекта. Оливер был у нас второй программный руководитель. На первого мин образования написало официальное письмо ЕС, о том, что такой руководитель не устраивает, прошло уже три месяца, а он до сих пор ничего никак и т.д. руководителя поменяли. В октября месяце или в ноябре, меняли международных экспертов на местных экспертов, тоже из за просьбы бенефициаров, т.е. в нашем проекте бенефициар играет важную роль, задает тон. Бенефициар мониторит наш проект, каждые полгода, смотрят результаты, что сделано, что не сделано, если их это не устраивает, они пишут официальное письмо, о том, что тот или другой эксперт результатов не показывает. В процедуре отбора они не участвуют новых консультантов, но при мониторинге когда они видят результаты работы они могут свое резкое замечание сказать

и потребовать заменить – руководителя заменили, международных экспертов тоже заменили на местных. Это тоже процедура, с ноября по февраль месяц затянулся. В октябре министерством заявлено нам, что нужно поменять иностранных экспертов, в октябре месяце объявление на конкурс дали в газеты на экспертов и вот только с ними подписали контракт, в конце января – 3 месяца, меняли, естественно работа стояла. Представители министерства мониторят. Сегодня до 5 часов мы сдаем ежемесячный отчет. Министерство главный заказчик этого проекта, не руководитель. Финансирует ЕС. Министерство заказало: ЕС помогите нам подготовиться к свапу.

Я: Чья это была инициатива?

Ф.Р.: предложения, возможности были ЕС, что есть такие свап, обучали в 2008. Я просто тогда работала в мин, начальником отдела стратегического управления, когда проводили разные семинары, что такое свап, бюджетная поддержка и там уже. Они предложили о том, что давайте вот, если как бы в секторе образования, раньше же было в секторе здравоохранения вот этот свап – всемирный банк делал. И идея зародилась, ЕС тогда присылал экспертов, чтобы оценить ситуацию, возможность, готовили технические задания на весь этот проект еще в 2008 году. И только в 2010 году первый проект после всех конкурсов.

Appendix 3 – Interview 3

Interview with GIZ person I

I: The first question: Do you see any weaknesses of SWAP in implementation in our country?

GIZ I: The weakness is to streamline the donors' interventions in a synchronized way. It is more challenge to cofinancing of the SWAP between donors. Each donor has its own budget line and each objective of the project. But to put these together in a comprehensive budget that's quiet big challenge. Donors even have own financing modalities and they are sometimes in line with other donors financing modalities. It is a challenge. The first challenge is the ownership of the Kyrgyz partners or the Kyrgyz ministries which are the main stakeholders to manage and organize the SWAP in a comprehensive way.

I: Why do you mean?

GIZ I: I think that the partner for these Kyrgyz organizations like ministries the owner of this SWAP idea. They are the main force to steer and control SWAP approach. And this has to be organized by the Kyrgyz organizations. It is huge diversified area of different donors. Those steer and control of different interventions – this one to manage and organize in an efficient way – this is a big challenge. There is no experience. There is no experience to manage. Therefore they are also supported by the donors to organize and manage SWAP. Donors are supporting in terms of deliver of instruments, how to organize. Donors are supporting in financial methods like to provide budget instruction; coordination of intervention. There is no experience. It is absolutely new – a challenge and organizational skills – how to do this.

I: Do you think that the current technical assistance program is not enough to strengthen the mentioned skills?

GIZ I: Even if 12 or 14 donors, organizations. That technical assistance even needs to be coordinated: the all directions of interventions, the all objectives – to streamline and synchronize the interventions, to avoid duplication

Objective of the donor meeting is to clarify what each donor is doing and even to avoid duplication – this is in terms of time, curriculum development, development of teaching and learning materials you need teacher training, maybe you need equipment, different parts. If one donor is developing

curriculum, the other one is doing teacher training and other one again providing equipment. This has to be streamlined. Everything is on the right time and right place. And that's a challenge, because each donor has a different speed, progress and implementation.

I: aren't this donor meeting helpful in donor coordination.

GIZ I: Of course, they try to optimize this, but 100% of streamlining and synchronization. The team leader is not the implementator, there is other staff. Even sometimes the hindering aspects of the implementation: delivery of goods, delivery of instruments may delay or something else. Curriculum is ready but you need the computers for teaching. Those practical things usually handicap synchronization and cooperation which you cannot influence. They are almost practical hindering reasons. They talk about, draw a nice plan, but to implement this under real life situation... There are many unforeseen situations which cannot be avoided. That's in general, the SWAP idea is very much appreciated and in a country like Kyrgyzstan you have to do in the area of education, 15-16 donors. Now Kyrgyzstan is doing the 1st step. During the implementation the experience will increase. The beneficiaries would more and more profit. I think during the time of implementation, the results will improve and become better and better. But right now it's the beginning. SWAP is not an easy task because of experience. It is lack of experience not only for the beneficiary but for the donors.

I: is corruption a challenge?

GIZ I: this is something that you can influence as a donor... corruption issue is very difficult from the donor side to influence. As a donor if you spend only money the risk is high. If the donor is spending money in term of technical assistance or in terms of equipment than corruption may not be that high. But if you put money in somebody's budget, then... that's risk of course. Money is out of the donor influence. That's you can believe in every single word. I think this risk is not only in Kyrgyzstan but it is everywhere, where applied. I would not say that Kyrgyzstan is a country where you have such kind of corruption; it is not a special issue in Kyrgyzstan. There will be a certain point where the donor has to trust the beneficiary, otherwise it does not work. SWAP is a good instrument, if all donors are going to streamline the interventions, and if the donors are able to be flexible, to change the programs according to other donors' activities. Sometimes, donors are fixed in their interventions because they have agreement bilateral agreement and then you cannot change because of the contracts. So if would like to change you have to revise the contract and so on. That's not easy. Of course some donors are okay. I can change my program according to the other donor which is the same area, which is to avoid duplication- that's the basic idea.

I: What do you think of lack of motivation from beneficiaries

GIZ I: In K I do not feel there is a huge lack of motivation. I think that ministries are very pleased to cooperate in the SWAP. And but the maybe sometimes it seems to be that they are not motivated but there is but behind there is a reason for this. One reason is staff members should be free of other workload to manage the SWAP, other donors daily business and then they have to organize for SWAP that's too much and then they have double work but no salary for this. I think that government or beneficiaries thinks ok this person is only assigned for SWAP and their daily workload is out of them then there are different reasons behind. Other reason if we have swap only with where you do not put money in the beneficiary budget it is even de motivation... computers, machine, equipment. Financial support they want to get more and more budget control. Not all donors are able to provide financial support. GIZ is not giving budget, only delivery, service..., advisory service, equipment, like this.

I: What about transaction costs? Does SWAP reduce transaction costs?

GIZ I: Of course that's the way of synchronization. Donors' meeting has to talk about each donor is doing in terms of study and analysis more or less doing this in a comprehensive way but synchronized. That's important of course. The most important issue is coordination and streamlining intervention of different donors, to put this in line with policy of government or education policy, ministry of education

has a policy and or strategy and to bring all donor activities in line with the strategy and that implies to coordinate and organize the donors in this regard

I: What are the other challenges?

GIZ I: timeframe is a challenge. If you have a narrow time frame, if you have a beginning and finishing time if you have more time for swap implementation this is much more better, different stages of development, even the speed for implementation is more or less the beneficiary and the donors have more time to organize and prepare themselves. And of course the budget even is the amount is high very high is much more difficult when the budget is smaller. And of course the experience how to organize and merge swap and willingness and motivation of the sector side.

Appendix 4 – Interview 4

Interview with GIZ person II

I: Что выдумаете о проекте?

GIZ II: Я думаю, это большая ошибка передать деньги правительству К, чтобы они самостоятельно могут работать, потому что наша организация, GIZ дает помощь и оказывает помощь особенно советами наши деньги маленькие. Есть организации как Всемирный банк например, у которых много есть. У нас в принципе мало денег. А наша цель – это помогать советами, например на семинарах, людей учить квалификацию. Это наша возможность. Для нас это ничего если бы мы передали наши деньги в эту яму. И потом кто-то, например, будет решать купить для каждого ученика ноутбук какой кошмар. Они уже в министерстве хотели несколько месяцев назад. Это абсолютно мое мнение и кроме того нам невозможно принимать участия в свапе, потому что мы не донорская организация. Мы делаем работу для донора. Донор – это наше министерство, это сотрудничество с Германией, сотрудничество и развитие. Значит, они дают нам деньги и точные задачи, что нам делать и нам абсолютно невозможно согласовать с другими. Что из общей ямы могут взять деньги для чего-то – это невозможно. Наша организация работает по-другому. Есть какие-нибудь, у которых в принципе персонала нет, только деньги. Мы совсем наоборот работаем. Конечно, у нас тоже есть деньги. Это, например, чтобы заплатить за бюро, оплату сотрудников и т.д. В принципе это не подходит - этот свап к GIZ. Свап в принципе неплохо, как сейчас ЕС хочет доминировать этот свап – правила вместе с министерством напишет - это идея ЕС. Мы абсолютно различаемся это. Конечно, мы абсолютно готовы сотрудничать со всеми, координировать работу без вопросов. Нам невозможно по правилам свапа и без правил. Свап не может работать мы не будем подписать нам невозможно... деньги можно отдать куда-нибудь или кому-нибудь на улице. Это не будет меняться, если ... GIZ работает как во всем мире. Наверное больше 10-20 лет не будет меняться. Мы нигде в мире не будем участвовать в свапах, если в сердце, если деньги перейдут в руки государства и они сами будут решать что с ними делать. Я чуть-чуть знаю, как министерство работает. Я знаю, что там некоторые люди, которые умные, без вопросов, потому что повсюду отсутствуют средства. Они, наверное, делают то, что рекомендуют та организация, которая больше дает. Всегда таким образом работают: слушают доноров, которые сейчас дают деньги, которые больше всех дают. Но это практика это только. Но это нужно только знать и понимать. Мы работаем по-другому. Доноры занимаются различными вопросами, в различных сферах системы образования. И мы считаем, что надо особенно менять систему преподавания учителей, например. Надо менять уровень квалификации учителей, которые преподают еще по стилю советского союза. И это самое важное для нас. Это можно только семинарами, системой мониторинга, чтобы им помогать, менять что-то. Не знаю какой результат, какой-нибудь будет. У нас в Terms of Reference

точно написана, что нам делать, где нам надо помогать. Это нам невозможно, если там кто-то решает. Мы не будем достигать целей Германии, поэтому это невозможно. Мы не против координации и каждый знает, что другой делает. Абсолютно согласны, мы уже давно координируем – это ничего нового. В принципе swap это может оптимизировать. В КР это идет не в хорошем направлении, потому что там ничего не меняется, только будет большой объем денег, который идет куда-нибудь, что – мы сейчас не знаем. И кто будет это проверять, что это было успешно – это будет ЕС, потому что они дают большинство деньги, у них другое мнение, у них меньше опыта, чем у нас. Можно отдать миллионы, миллиарды, но, если мы не меняем структуру, тогда ничего не меняется. Здесь ничего не меняется, потому что нет тут такого партнера. Здесь будет как было. Это ваше хозяйство должно зарабатывать, а не доноры. Доноры уйдут и все будет как было. У нас тоже в команде были 12 лет назад в школах компьютеры никто не умел учить пользоваться ими. Сейчас стало чуть-чуть лучше. В принципе это тоже было неэффективно. Мы улучшаем квалификацию не только в школах, в пед. колледжах, университетах – это центрально. Это важно, что когда наша программа кончится в 16ом году это должно продолжаться, что мы начали. Если случайно деньги, а все остальное было как было, тогда это абсолютно без пользы, как ваше правительство продавало машины

Appendix 5– Interview 5

Interview with project manager of the EU Delegation in Kyrgyzstan

I: Why education sector?

Project Manager (P.M.): The quality of education has decreased significantly in K. we think we can do something about it support the country reforming the education sector and this is probably one of the most important sectors for the economic development in the future as well to improve the education sector. So, this is basically the rationale in short but the reason why you will find in the indicative programs.

I: Is donor coordination a challenge?

P.M.: not only the political goals of different donors are different, but also the instruments. And in a SWAP you try to harmonize basically the approaches, the instruments, and to work under a joint framework, SWAP with the joint assessment framework. What we have in K at the moment in education sector is we have a strategy now, which is a starting point, we have the education development strategy 2020, just adopted, end of March. We have a medium term program until 2014, which is more concrete with indicators, and so on. This should be the joint framework, but different donors might have in addition to this strategy, their own policy framework, but I think we are on a good way and donor coordination has improved, also the ministry's leadership role has increased, but this is key. Donors would not in the ideal case, the government or in this case the Ministry of Education should coordinate the donors, not the donors coordinate among themselves. I have been working here for 5 years. I have observed in the last two years that the leadership of the Ministry of education has improved. It is not perfect but it has improved. There are still obstacles. And we will not have a pure sector wide approach from the very first beginning in 2012-2013, but we have to move forward towards SWAP in the pure sense. If you look at the definition for SWAP, UNESCO definition, you will find different criteria if you apply these they are not all for K yet.

I: Do you think that this approach fits K?

P.M.: well I think... I am convinced that it is a good approach to development because the better coordination working under the joint framework, under one strategy basically. It fits also K because I would think it would work under the Kyrgyz conditions as well. I mean it works in the health sector. I think again the health swap is not perfect but it is probably much better than individual projects and

donor approaches to have support. They have for ministry of health certainly has increased the capacity. I hope the same would happen to the ministry of education as well.

I: Capacity of the ministry is not strong enough?

P.M.: This is one of the obstacles- the capacity of the ministry of education. You can write many donor documents that their assess ministry's capacity as relatively weak but as I said, it has increased and for my point of view the ministry has taken a stronger leadership in this process. Many open questions still: monitoring, information system for example for the education sector is not yet working, but I think we are in a good, on a good way. We have to start this process. If we continue to work with project approaches it will certainly not make a difference but swap could make because in a swap the ministry will be requested to deal with us and to take leadership role. There is not escape basically. It mean serious. Of course there is always a possibility to fail than the donors will not put much money in the education sector.

I: why budget support?

P.M.: we have conditions to our budget support. We have a working with this budget support already for several years in another sector, in a sector of social protection. Education will be a new sector. But we have made positive experiences with this budget support approach. We have a feeling and also we see the result and that can increase the capacity of the sector much more with budget support than with classical project approach because we disburse the money only if the conditions are fulfilled. And we have cases for the social protection in the past where we did not disburse the money because some of the conditions were not fulfilled. So we have agreed with the government that the government has to implement and develop a policy on child protection and to implement it for example. 2 years ago this condition was not fulfilled. And we did not disburse part of the money. So it is you could say we are buying reforms basically with the budget support but this also that these reforms will remain sustainable We will be sustainable in the medium and long term. In a project approach you provide some technical assistance, you produce strategy paper for the government which might not be implemented in many cases. It will be just end up somewhere in one's bookshelf. The advantage of the instrument of budget support is that the government commits itself to fulfill the conditions and to develop a policy which is implementable, obviously, realistic policy. And if this is not happening we are not disbursing. We are not following each euro cent because the transaction costs of the supervision of the money would be enormously high then we could do project support, the project approach or do nothing. So what we do the conditions of the budget support do not necessarily have a monetary value in all cases but in many cases they have. We put a condition which has a certain value for example: 100 schools have to be renovated. It means the government has to plan in their budget for 2013-2014 for that they will have to renovate those schools. Only after this condition is fulfilled we check of course and we pay the money we have allocated for this, for the fulfillment of this condition. They can say this actually is less prone to corruption than a project approach because often what happens is international donors publish tenders prices they get might be higher than what would be awarded in national tenders actually because of the complicated procurement rules of international donors. So I don't agree that budget support is not possible or is very difficult in K. It is possible. The thing is we are not checking on each cent. We are only checking the results and this is the important thing to check the results. If you spend 3 million on a project you might end up with a number of documents and strategies which are on someone's, but which are never implemented. So, yeah, basically wasted this 3 million, right? If you look at the metrics ... I will show you an example of a draft metrics. We have planned about 17 million euro budget support. We have number of conditions for the next years 2013-2015. In 2014 for example, for third payment which is in this draft metrics also 6 million we have 8 conditions. Each has a weight. This has a weight of 10% for example. 10% of 6 million are 600 000. This is a condition which is called minimum 7 occupational standards developed and adopted for vocational education

based on minimum three sector studies carried out the AVTE and on regional level market studies available at ministry of labour. So if we see that beginning of 2014 when we do our review mission that this condition is not fulfilled that this occupational standards were not developed and adopted and these sector studies have not been carried out by the state agency then we are not disbursing 600 000 euro. The other conditions are met we can disburse the rest but we will subtract this sum from the overall disbursement. This is how budget support works basically. There will be policy discussions. It is not that we are now ok we have developed the metrics we give it to the government for signature for final agreement and then we sit and wait. I mean there is a continuous monitoring and policy dialogue with the government in the meantime until 2014. And we also might provide some technical expertise and assistance to the government in order to support the development of these occupational standards for example. But we have to clearly see that the government is in the lead and that this result is achieved by the government not by consultants and not by other international organizations. So this is a principle. We develop these metrics of conditions together with the government and then once this has been agreed and financing agreement has been signed they both have been signed we monitor the progress and we discuss the regular intervals about progress and achievement of conditions. So we will already assess these conditions in 2013 and see where we are. We see they have done nothing they have not even started then we would tell the government listen we have agreed that beginning of 2014 you will have to develop these minimum 7 occupational standards so far you have not done anything. So these is a continuous dialogue with the government.

I: do you extend the deadline?

P.M.: No, we cannot budget support guidelines of EU do not foresee any waivers so other organizations are more flexible but we have to agree that. We cannot deviate from that, otherwise you can postpone and postpone and postpone and there is no reform basically. So we do not have this flexibility we have agreed on the dates basically and we will have our review mechanism in place. If it is not fulfilled we cannot postpone it because the government bonds always in the past it has wanted to postpone but it is not possible. So it is very strict actual. And only in the case of a force major let's say revolution civil war we can waive some of the conditions.

I: if the conditions are not fully met will continue disbursing some small amount of money?

P.M.: that's a good question. If the conditions are not met then there is a question does it makes sense to implement this budget support. Yeah, you are right, we would probably restart discussions with the government say, see I mean what we have discussed and agreed 3 years it is not realistic. Shall we continue or not. We could also stop. It happens, it happened in many countries that we stopped our budget support disbursement. This is possible. I mean if we see only one of the conditions is met this is not then a program. But usually, in Kyrgyzstan it has not happened so far. You basically fulfilled the most of the conditions - the government has and only some of them were not met.

I: what might be the obstacles?

P.M.: government capacity is one – capacity of the ministry of education and the aid agency. I suppose it could be also economic stress in macroeconomic framework. We also assess the stability of the economy – the macroeconomic stability is not given, then we also can stop disbursement, because we have not only these specific conditions on the sector, we have also three general conditions, macroeconomic stability, public finance management reform progress and sector strategy. These might be obstacles. If we do not see any progress in reform of the public finance management then we could also stop paying. This goes hand in hand. We want to see progress on public finance management because of the problems: corruption and so on we would like to see there is a progress being made and we can decide not to disburse if there is no progress. If Ministry of Finance is not doing anything about improving the management of public finance.

I: what are main conditions for the success of the SWAP?

P.M.: we have strategy, which has been approved. It is not a perfect strategy, but it is a good strategy and it is implementable. So we are happy with that. This is the most important point-precondition. I think also then the capacity of ministry has to be strengthened further. Many of the projects have in the past concentrated on teacher training, provision of textbooks, provision of furniture for schools and so on. But they have not improved the capacity of staff of the political decision making of the staff of the ministry of education. So we try to help with this as well with the help of our ongoing project. These obstacles all of them will be resolved. High chance swap will be successful. The capacity is linked to the staff presented there. We cannot do as donor is to top up salaries to attract other people in the ministry, because this is the mandate of state to pay the civil servants basically. The salaries of teachers have already been increased, we see the change in the trend now there more people wanting to become teachers, actually then in the previous years. There is a higher demand for becoming a teacher. This increase has improved probably also the motivation of teachers. As for the MOES this is a principle problem of development cooperation in many countries that salaries in public sector are relatively low, meaning that also the motivation of the people working there might be low. I can't say for all the staff of the MoES. They have some good staff, which is motivated and willing to work and so on. I agree that this contributes to the low level of contributes to the weak capacity but what is the alternative. They had to work with many projects in the past, they had to fulfill the requests of different donors. It might be better for them to work under one umbrella under swap, where joint assessment framework you have indicated your monitoring, and you have joint steering committee, you will not have in the long term 5 steering committees for projects of 5 different donors but you will have one with all the donors and the government where you will discuss the progress in implementation of the strategy. And this is the key advantage of SWAP. So you reduce the transaction costs both for donors and also particularly important for the government. I think it might bring about some improvements also for ministry because they will have less work to do. Once the system is established they will have actually less work under swap and dealing and getting confused with donor projects. Africa might also be a different story. The EU has different standing for Macedonian and African countries. Some of the African countries the EU is providing the significant part of the budget in countries like Nigeria without EU money there would be even more problems with security and people would who are starving from hunger (there are a lot of people starving) they would have even bigger problem with people dying from hunger. This might be the reason why the conditions were postpone in Africa countries are softer then in countries like Kyrgyzstan or Tajikistan because here the percentage of budget support to the contribution of our budget support to the budget is not so significant. If you think about 17 million over three years this is a very small percentage in overall budget. It has a small impact on the education sector budget but not on the overall budget of K. So that's why we are tough on the conditions and at the same time although it is a small part of the budget the ministry of Finance and also the line ministries in our other program ministry of social protection for social development they have very much interested in receiving the money. They are very motivated to fulfill the conditions. Even if it is if we stick about 5,6 or 7 million they are very interested and they are very concerned if they don't receive the money. There is I can see the motivation of the government to fulfill the conditions. In a relatively small country even not to big budget support budget support makes sense. We are also providing budget support to Indonesia which is already middle income country about 3 hundred million for the education sector. This is other dimension and you have another leverage then you have in K. in K the leverage is quiet good. The overall GDP is not high. Out of 200 countries K is number 31 when it comes to education expenditures as percentage of GDP, so 6% is quiet a lot. Kazakhstan is providing only 3% of course totally it is more but Kazakhstan GDP is much higher but it is difficult to mobilize more of these 6%. It is realistic to keep the 6% but more will be difficult because only part of the GDP will be used for the budget for the formation of the budget already about 20% of

the budget of K goes for the education sector. It is the biggest spending biggest expenditure for the state- the education sector already what has to be done is to use the resources more efficiently and there are a lot of ways. For example, school feeding. It is paid by taxpayers money so if your little sister goes to school and receive food in the school provided by the state. We need more efficient than families pay for their children's themselves so they can choose what kind of food they can get. It is different from poor families who receive social benefits. What tax payers money have to be spent on school feeding for rich families children. Large part of the expenditure for vocational education goes for the school feeding. Even clothes are provided to ITYs. This part of the education sector budget. Where it does not increase the quality of education but social benefit basically. It belongs to social sector expenditure but it does not contribute to the enhancing the quality of education. 6% of GDP – you think the education sector in K should be much better then you look into how the budget of the education sector is being spent and see that only a very small tiny part goes to development budget aid – to innovations, to improvement, real improvement in school infrastructure not only текущий ремонт. The largest part for the education sector budget goes to teacher salaries, only to salaries. Teacher-pupil ratio is also quiet low in K, meaning that you have relatively many teachers. This could be also improved. There are a number of factors where you can say here the efficiency in spending can be improved certainly. There are possibilities to use the valuable budget more efficiently.

It will be a public document once it is signed. This was developed. We have discussed. We have just recently discussed with Brusells. They have asked us to make amendments and i will discuss over the next 3-4 weeks with the government again – these conditions. Then it has to be approved by interservice consultation in European Commission. Then it goes to the DCI committee, where all the 27 member states have their say and might be comments and objectives. Germans are usually very, very critical of the budget support, including German embassy here, and GIZ. I am talking to them hopefully we have hopefully fruitful discussion. But under SWAP it has to be brought together. The GIZ project approach can be part of the sector wide project. It has to be aligned at least to the national strategy. After that DCI committee the final financing will be prepared for the signature of both sides. And we hope that by the end of this year we can start financing.